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## Regan's Plan a Starting Point For Bargaining on U.S. Taxes

By Peter T. Kilborn  
New York Times Service

WASHINGTON — Treasury Secretary Donald T. Regan's tax proposal is being regarded here as less a plan for enactment than a bargaining chip in what is certain to be a prolonged battle with Congress and special-interest groups over changes in the nation's tax system.

Mr. Regan acknowledged as much Tuesday when he announced the plan. "This thing was written on a word processor," he said. "It can be changed." He said it was the Treasury's proposal, not the president's. Indeed, President Ronald Reagan seemed to be keeping his distance from the study he ordered in January but saw for the first time Monday.

In a statement, Mr. Regan noted the complexity of the three-volume report. "Over the next few weeks," he said, "I plan to review the Treasury's recommendations."

**NEWS ANALYSIS**

A U.S. proposal for tax simplification would result in a big tax increase for businesses, Page 7.

carefully — along with public and congressional reactions to them.

It is two months until the president's State of the Union Message in January, when Mr. Regan will make his own choices known.

In the interim, he will be badgered by lobbyists and even by members of the White House political staff who worry about the effects of a new tax system on the administration's numerous constituencies.

Congress, meanwhile, is clearly reluctant to negotiate tax changes in a vacuum. The budget and its enormous deficits weigh more on Congress now than changing the tax code.

Many congressmen, lobbyists and other players in fashioning the nation's tax system consider the Treasury's proposal too complex, too all-encompassing, and too threatening to special interests for Congress to swallow. Instead, the proposal is expected to provide the stage for a national debate stretching through next year.

Prospects for the proposal's survival intact are "zero," said Richard W. Rahn, an economist and lobbyist for the U.S. Chamber of Commerce, a business organization and usually an ally of Mr. Regan. In the end, Congress and the White House are likely to settle on a far less ambitious proposal, incorporating a few of the Treasury's proposed changes, possibly with tax increases.

The Treasury's report, titled "Tax Reform for Fairness, Simplicity and Economic Growth," is a call for a truly radical overhaul of a tax code that much of the population finds unfair because it allows some businesses and individuals to pay much less than others who earn the same amount.

Mr. Regan observed that the current code is a jerry-built edifice of preferences and deductions that encourages businesses and individuals to weigh the tax implications of an investment, not its real economic value. It thus encourages them to shelter income from taxes in ways that contribute little to economic growth.

Tuesday's proposal would go far in wiping out most of those features, and as a result, academic tax experts envisioned immense gain for the economy if it were adopted.

"We would see a major reorientation in the way investment is undertaken in the United States," said John A. Makin, a tax specialist at the conservative American Enterprise Institute in Washington.

On the other hand, the other principal players in negotiating changes in the tax system — Congress and the interest groups — find the proposal wrongly conceived, badly timed or both.

In Congress, the overriding objection is that the proposal would



Afghans count bullets at a teahouse on an infiltration route into Afghanistan used by rebels fighting Soviet troops.

## Dole Wins Top Post In Senate

### U.S. Republican Is Chosen as Majority Leader

Compiled by Our Staff From Dispatches

WASHINGTON — Senator Robert J. Dole of Kansas was elected Senate majority leader Wednesday, defeating four other candidates.

Senator Dole, who has chaired the Senate Finance Committee, was the party's 1976 vice presidential nominee and is considered a potential presidential candidate in 1988. His new post is expected to boost those prospects.

Among those he defeated was Senator Ted Stevens of Alaska, the assistant leader for the last eight years.

The struggle for the votes of the 53 Republican senators reflected the race's importance. The majority leader, one of the most powerful figures in Washington, will have a major hand in shaping the legislative record of the 99th Congress, to convene in January.

The majority leader decides what bills to call for action and what measures are set aside. As party leader he is expected to keep members happy and unified so they vote in bloc, to seek mutually advantageous compromises with the Democratic House and to help enact the president's programs.

Senator Alan K. Simpson of Wyoming was chosen to succeed Senator Stevens as assistant leader, or whip. Mr. Stevens' defeat means that he will have no position in the Senate leadership.

The other candidates for majority leader — Senators James A. McClure of Idaho, Pete V. Domenici of New Mexico and Richard Lugar of Indiana — were eliminated at that order.

Among Senator Lugar's problems were that his election would eliminate him from the lineup for the chairmanship of the Foreign Relations Committee, opening the way for a possible struggle between a conservative, Jesse Helms of North Carolina, and a more liberal senator, Charles McC. Mathias Jr. of Maryland. It was a showdown many senators wanted to avoid.

Senator Dole's election will set off a chain reaction of changes in Senate committee chairmanships among Republicans because Mr. Dole, as majority leader, must give up his chairmanship of the Finance Committee.

At least four of the Senate's 16 standing committees will have new chairmen. With a majority in the Senate, the Republicans also hold a majority on all standing committees and a Republican chairs each standing committee.

At a news conference after the closed party caucus, Senator Dole dismissed suggestions that he would use the majority leader's post to promote himself for the party's 1988 presidential candidacy.

"We are going to retain the Republican majority of the Senate in 1986 and we are going to support the president's programs; that's our agenda," he said.

He succeeds Howard H. Baker (Continued on Page 3, Col. 8)

## Force Is 'Last Resort,' Weinberger Emphasizes

The Associated Press

WASHINGTON — Defense Secretary Caspar W. Weinberger, in a policy statement, said Wednesday that U.S. military forces should be used around the globe only as "a last resort."

Whenever U.S. forces are used, they should be employed only in situations "deemed vital to our national interests" and then should be used "with the clear intention of winning," he said.

Mr. Weinberger, often considered one of the Reagan administration's most hawkish members because of his support for large defense spending increases, outlined his views in a speech to the National Press Club.

He drew distinctions with other administration officials, chiefly Secretary of State George P. Shultz, although Mr. Shultz was never mentioned by name.

Mr. Weinberger said "employing our forces almost indiscriminately and as a regular and customary part of our diplomatic efforts would surely plunge us headlong into the sort of domestic turmoil we experienced during the Vietnam War, without accomplishing the goal for which we committed our forces."

Mr. Weinberger and Mr. Shultz have differed in the past, chiefly on the question of sending U.S. troops to Lebanon two years ago. Mr. Shultz, who has publicly acknowledged the split with Mr. Weinberger, backed the troop deployment while the defense secretary opposed it.

Mr. Weinberger said "recent history has proven that we cannot assume unilaterally the role of the world's defender."

Echoing a lesson learned by military leaders after the Vietnam War, Mr. Weinberger said U.S. troops should only be committed "with strong support from the U.S. public and in situations when all else has failed."

"We have learned that there are limits to how much of our spirit and blood and treasure we can afford to forfeit in meeting our responsibility to keep peace and freedom," Mr. Weinberger said.

"So while we may and should offer substantial amounts of economic and military assistance to our allies in their time of need, and help them maintain forces to deter attacks against them, usually we cannot substitute our troops or our will for theirs."

"We cannot assume for other sovereign nations the responsibility to defend their territory, without their strong invitation, when our own freedom is not threatened," Mr. Weinberger said.

He outlined criteria for deciding whether to use U.S. troops:

- The occasion should be "deemed vital to our national interest or that of our allies."
- The troops should go in "with the clear intention of winning."
- "We should have clearly defined political and military objectives."
- More troops and equipment should be sent if needed to win.
- "Finally, the commitment of U.S. forces to combat should be a last resort."

Mr. Weinberger said there was increasing Soviet aid to leftists in Central America and said if it continued, "we will clearly need more economic and military assistance and training to help those who want democracy."

"The president will not allow our military forces to creep, or be drawn gradually, into a combat role in Central America or any other place in the world," he said.



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## U.S. Doubles Covert Arms Aid to Afghan Rebels

By Leslie H. Gelb  
New York Times Service

WASHINGTON — U.S. officials say \$280 million has been earmarked in covert military aid for the Afghan insurgents for the 1985 fiscal year, more than doubling the aid in the 1984 fiscal year, which ended Oct. 1.

This will bring total U.S. aid to \$625 million since Soviet troops intervened in Afghanistan in December 1979. The amount does not include an estimated \$100 million provided last year by Saudi Arabia, other Arab countries, China and Israel.

All those interviewed agreed that the aid was substantial. But there was disagreement over how much arms aid actually was reaching the rebels, whether the weapons were adequate and, above all, whether the guerrillas are winning or losing against Soviet and Afghan troops.

Beyond this dispute, there remains a conflict over the U.S. purpose. The Reagan administration talks about making the Soviet Union "pay a price" for its intervention. To congressional officials, this falls far short of victory and condemns the rebels to defeat.

By all accounts, Congress has been responsible for most of the increases in covert aid, sometimes despite administration resistance.

Officials of the State Department and the Central Intelligence Agency say that the fighting is not going well for the Soviet and Afghan troops, and that the rebels are well supplied.

Other intelligence sources and several outside experts asserted that the Russians are making gradual progress, that 15 percent to 40 percent of the arms aid is being skimmed off by the Pakistanis and by Afghan elites. Of the arms that do get through, these sources said, many are old or ineffective.

The sources described the system for supplying arms to the rebels. According to these accounts, U.S. dollars are used to purchase mainly Soviet-made arms from countries such as China, Egypt and Israel. The price is said to be exorbitant.

The arms then are delivered to Pakistani ports. At that point, by agreement between the CIA and Pakistan, the supplies pass to Pakistani control for delivery to the political leaders of the Afghan insurgency in Peshawar, Pakistan, and elsewhere. They, in turn, are supposed to pass them to the guerrillas.

"Accounting procedures are next to nil," said a U.S. intelligence aide.

According to administration officials, Pakistan is given full control on the ground that it is running the risk of incurring Soviet displeasure and possible military retaliation.

The sources said that Pakistan skimmed off some arms and played favorites among the Afghan exiles, but that most of the skimming was done by the elites themselves.

As a result, a Senate Foreign Relations Committee staff report said in April, "signs of Western aid are indeed scarce."

A more detailed report was given at the end of September to the Senate Select Committee on Intelligence by Alexander Alexiev of the Rand Corp., working under a Pentagon contract. To him, the problem was the quality, more than the quantity, of the arms being delivered to the Afghan rebels, the Mujahidin.

"The most glaring deficiency," he testified, "continues to be the lack of any effective means to combat Soviet jets and helicopters. The Soviets are able to operate with virtual impunity in the air, which, given the fact that perhaps 80 percent of all Soviet combat and logistics operations depend on air, virtually precludes any significant and lasting Mujahidin military gains."

By all accounts, the Afghan rebels operate with Soviet-built ground-to-air missiles known as SAM-7s rather than more effective U.S. British or French weapons.

Mr. Alexiev and others also reported on shortages in ammunition for mortars and heavy machine guns, mines, communications equipment, binoculars, maps, warm clothing and sleeping bags.

Reagan administration officials said the shortages were being corrected as supplies approved last year were reaching the rebels only now. As for the SAM-7s, they said, the United States could not playfully deny involvement if it were to provide its own arms, and Pakistan has not given approval for supplying British and French arms.

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He succeeds Howard H. Baker (Continued on Page 3, Col. 8)

## Resignation Of Arafat As PLO Head Is Rejected

Reuters

AMMAN, Jordan — The Palestine National Council affirmed on Wednesday its confidence in Yasser Arafat as the leader of the Palestinian movement with rapturous acclaim after he had offered his resignation.

Mr. Arafat, who announced late Tuesday night that he had submitted his resignation as chairman of the Palestine Liberation Organization, said he would abide by the verdict of the council, the Palestinian parliament-in-exile, and withdraw the resignation.

Groups of pro-Syrian guerrillas revolted against Mr. Arafat in May 1983 and helped drive him and his followers out of Lebanon. Since then, the dissidents have been demanding Mr. Arafat's dismissal as PLO chairman and are boycotting the current council session.

Mr. Arafat, who has led the PLO since 1969, said he announced his resignation to prove that it was the Palestinian people who chose their leader. "You decide," he said. "It is not up to any Arab ruler or busybody. I am a soldier of this revolution, the first to obey and the last to disobey."

Earlier, Sheikh Abdul Hamid al-Sayeh, speaker of the council, called on Mr. Arafat to stay on. Council delegates from Palestinian refugee camps mobbed the PLO chief, hoisting him to the rostrum and chanting, "Our blood and our soul are your sacrifice."

Several council delegates saw the drama as a ploy by Mr. Arafat against his pro-Syrian critics, who have denounced his relatively moderate approach to a Middle East settlement.

George Habash, leader of the radical Popular Front for the Liberation of Palestine, one of five factions boycotting the session, said in Damascus that Mr. Arafat was not acceptable because he had joined "the American camp."

King Hussein of Jordan said Wednesday that he hoped the council would make a "correct" decision on possible joint Palestinian-Jordanian moves toward recovering Israeli-occupied Arab land, according to Petra, the Jordanian news agency.

The king, speaking to representatives of Palestinian refugee camps and organizations in Jordan, said that a joint effort could be "the beginning of making the world respect us and our views."

Mr. Arafat said that 119 council members had stayed away from the Amman meeting. There were 378 members at the start of the session, he said, but new members had since been added.



Yasser Arafat, flanked by other officials, addressed the Palestinian council on Wednesday.

## Allies Hope Arms Talks Kill U.S. Space Weapon

By Joseph Fitchett  
International Herald Tribune

PARIS — As the Reagan administration prepares for arms-control talks with the Soviet Union early next year, a cross section of West European politicians, officials and strategists hopes that the negotiations will scuttle the U.S. plan for a space-based defense system.

European views, as expressed by members of the parliaments of the NATO countries at a recent conference in Brussels, converge on a single idea: President Ronald Reagan should use his post-election prestige to try to set a ban on weapons in space, including those being developed to destroy Soviet nuclear missiles.

A White House spokesman confirmed Tuesday that U.S. plans for the space-based missile defense, which is formally known as the Strategic Defense Initiative, would be on the bargaining table.

The willingness to discuss this class of weapon will be welcomed by U.S. allies. Many think that the futuristic defense will consume money and never work. Others worry that it will work, pushing the United States into perhaps dangerous isolation behind its high-technology shield.

At the same time there is a current of European expert opinion that says new anti-missile weapons, some of them based in space, may be inevitable.

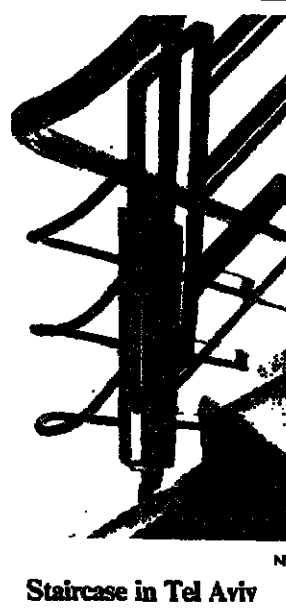
François de Rose, France's former ambassador to NATO, voiced this opinion in recent comments in Paris, saying in effect that it is better for the United States to capture the lead and for West Europeans to cooperate.

But this is still a minority view. When Mr. Reagan announced the space-based defense initiative in 1983, Europe's "initial reaction was simply to hope that the speech was an aberration and that there would be no significant follow-through," said Lawrence D. Freedman, professor of war studies at King's College, London. "This is still the hope, but no longer the expectation."

European opinion across the political spectrum still appears to concur with the view expressed in an article in the current issue of (Continued on Page 2, Col. 7)

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Staircase in Tel Aviv

## In Potential Landmark Ruling, Dutch High Court Orders Review of Euthanasia Case

By Jo Thomas  
New York Times Service

THE HAGUE — The Netherlands Supreme Court has asked an appeals court to take another look at the case of a doctor who gave a fatal dose of curare, a powerful muscle-relaxing drug, to an elderly patient who had begged to die. Many here said the request could result in a landmark decision on the issue of euthanasia.

The Supreme Court set aside on Tuesday the ruling of another appeals court that had reinstated criminal charges against the doctor because Dutch law forbids euthanasia, or mercy killing. The Supreme Court said that medical ethics and standards also had to be considered in determining whether the doctor's actions were justified.

The court did not specify these standards, but recently the Royal Netherlands Medical Association set out guidelines for doctors faced with suffering patients who ask help in dying.

The high court's decision was welcomed by F.J. van der Dussen, secretary of the Netherlands Association for Voluntary Euthanasia. Mr. van der Dussen and others in his organization, which has 24,000 members and is the largest such association in Europe, say they believe this case is the first of its kind in Europe to get a legal hearing at such a high level. They say it may eventually set an important precedent for the "right to die" movement here and elsewhere.

In the Dutch case, the patient was a 95-year-old former nurse from the north of the Netherlands. In 1980, she signed a form commonly called a "living will" in which she asked for euthanasia if she should ever become unbearably ill and incapacitated.

The woman was hospitalized Sept. 16, 1981, with a broken hip and became an invalid. Her hearing, sight and speech grew weak, and she suffered from dizzy spells. Although she was mentally alert, her physical condition grew worse. She had no chance of recovery and told her doctor many times that she wanted to die.

In the week before her death, the documents show, she went into a coma. She recovered consciousness and said she never wanted to go through the experience again. She repeated, emphatically, that she wanted to die. After talking the situation over with the patient's son and with his own medical assistant, the doctor decided that he had no choice but to help the woman to die.

According to the documents, on July 16, 1982, at 11:44 A.M., he gave her an intravenous dose of barbiturates to make her drowsy and 11 minutes later gave her another dose to make her sleep. At 12:03 he administered curare, and five minutes later she was dead.

The physician forced a test of the law by telling the police what he had done. He was charged with deliberately causing her death.

The criminal court in Alkmaar acquitted him, saying he had acted within guidelines on mercy killing set down in December 1981 by a criminal court in Rotterdam. These guidelines, similar to the guidelines recently adopted by the medical association, said that there must be a permanent physical or mental suffering that a patient finds unbearable.

In this case, the original appeals court that heard the case in Amsterdam reversed the doctor's acquittal, pointing out that euthanasia was illegal.

The doctor's attorneys, Eugene Sutorius and Gerard Spoor, told the high court that the physician had been compelled to take the steps he did. Faced with conflicting obligations, he made the right choice, they argued. In essence, the appeals court on Tuesday asked the appeals court in The Hague to re-examine the appeal in light of current medical standards.



## Political Killings Plague Zimbabwe As Country Prepares for Elections

By Glenn Frankel  
Washington Post Service

**HARARE, Zimbabwe** — Police confirmed Wednesday the murder of two officials of one of Zimbabwe's minority political parties.

They were the latest in a series of political killings plaguing the country as it moves toward its first national elections since independence.

The confirmation of the murders followed a government report Tuesday that dissidents seeking to overthrow the government of Prime Minister Robert Mugabe have killed seven people during the past month, all but one of them members of Mr. Mugabe's governing Zimbabwe African National Union.

It said state security forces killed seven "bandits" and captured 35 others during the month, in which violence between government supporters and opponents has escalated sharply.

The statistics did not include re-

ports of the killing of at least eight Mugabe opponents, including the two confirmed dead Wednesday and six members of Joshua Nkomo's opposition political party.

Mr. Mugabe has blamed Mr. Nkomo for the deaths, saying last week in Parliament that the opposition leader was encouraging "lawlessness, destruction and destabilization" in an attempt to intimidate Mr. Mugabe's followers and gain seats in the election that is expected to be held early next year.

Emmerson Munangagwa, minister of state security, told Parliament on Tuesday that the government has evidence that guns used in the slaying this month of Moven Ndlovu, a senator and member of Mr. Mugabe's party, had come from Mr. Nkomo's house in the southern city of Bulawayo.

"When the facts come out about who killed comrade Ndlovu, then some of the colleagues here will regret it, in particular Joshua

Nkomo himself will regret," Mr. Munangagwa said.

Mr. Nkomo was not at Tuesday's session and has not been available for comment. But in the past he has strongly denied involvement with the rebels and has accused the government of instigating violence as a pretext for cracking down on political dissent.

Police identified the two latest victims as Shungwa Mangwengwe and James Magura, two officials of a splinter group that bears the same name as Mr. Mugabe's ZANU party but is under the control of the Reverend Ndabaningi Sithole.

The bodies of the two men were discovered Nov. 15 near the central Zimbabwe town of Masvingo, scene of violence between Mugabe and Sithole supporters after Mr. Ndlovu's murder Nov. 9. Twenty-four Sithole supporters were arrested after the disturbances and they are reportedly still being held.

Noel Mukono, secretary general of Reverend Sithole's party, said Mr. Mangwengwe and Mr. Magura went to Masvingo on Nov. 14 to visit the detainees. He said the two men were last seen being escorted into a vehicle belonging to the provincial branch of Mr. Mugabe's party by two men in police uniforms.

A police spokesman here confirmed the two men's deaths, but he denied that they had been led away by police officers.

The report of their deaths follows another incident Sunday in which a member of Parliament from Mr. Nkomo's party was gunned down on his farm in southwestern Matabeleland.

### UN in Rome Will Hold Panmunjom Defector

**SEOUL** — A Soviet youth who defected to the West through the Korean truce village of Panmunjom last week will be placed in United Nations custody in Rome for settlement in the United States, a senior Foreign Ministry official said Wednesday.

The official said he also hoped the defection of Vasily Y. Maizuk, 22, would not damage South Korea's relations with the Soviet Union, which reached a low point following the Soviet downing of a Korean Airlines plane, killing all 269 people aboard, last year.

### China Limits A Return by Dalai Lama

**BEIJING** — The Chinese leadership has spelled out its conditions for a possible return of the Dalai Lama to China, but said that the Tibetan spiritual leader will not be allowed to live in his homeland.

Yang Jigren, head of the United Front Department of the Communist Party's Central Committee, told a Tibetan delegation that the Dalai Lama could settle permanently anywhere in China except Tibet, provided his followers gave up the idea of an independent Tibet, the Chinese news agency Xinhua reported.

The Dalai Lama fled to India with 80,000 followers in 1959 after an abortive uprising in Tibet against the Chinese, who occupied the country in 1950.

The Chinese official pledged that under a five-point policy, the Dalai Lama would "enjoy the same political treatment and living conditions as he did before 1959" and would be offered a post such as that of deputy chairman of the standing committee of the National People's Congress, or parliament.

Western diplomatic sources said Wednesday that it was possible the Dalai Lama might make a "political" visit, but felt the Chinese conditions ruled out a permanent return.

Mr. Yang was quoted as saying that China's policy on the Dalai Lama's return remained "unchanged" since it was set out by the general secretary of the Communist Party, Hu Yaobang, in 1981 during a visit to China by the Dalai Lama's brother, Gyalpo Thondup.



President Mitterrand watches his wife drink Turkish coffee at a Damascus mosque.

## Mitterrand Says France Cannot Prove Syria Is Involved in Terrorist Acts

The Associated Press

**DAMASCUS** — Presidents Francois Mitterrand of France and Hafez al-Assad of Syria said Wednesday at a news conference that they had agreed that Syria was not responsible for terrorist acts against France.

Mr. Mitterrand had been scheduled to give the news briefing before his departure for Paris, but Mr. Assad's appearance was unexpected.

Mr. Assad said that "Syria was against any kind of terrorism" and repeated his denial that Syria had been behind attacks against French installations in recent years.

Mr. Mitterrand said, "We have no proof and, consequently, no right to accuse Syria of being connected with certain acts."

Before Mr. Mitterrand's departure for Syria, a French presidential spokesman, Michel Vauzelle, referred to several acts of violence to which Syria had been linked,

including the assassination of a French ambassador in a Syrian-controlled area of Beirut in 1981 and the truck bombing that killed 58 French soldiers in the Lebanese capital in October 1983.

Although the United States has never formally apportioned responsibility for the bombing the same day that killed 241 U.S. servicemen in Beirut, U.S. officials have indicated that they thought Iranian guerrillas were involved and were assisted by Syrian munitions.

Mr. Assad reiterated Syria's "full support, whatever sacrifices it takes, to Lebanon's sovereignty on all its territory."

Syrian forces originally entered Lebanon in 1976 at the request of the government, but President Amin Gemayel has sought in the last two years to negotiate their withdrawal.

given French-Syrian relations "a useful and positive direction."

Mr. Mitterrand noted, however, differing positions on the Iran-Iraq war, and Israeli-Arab relations.

The two leaders appeared to be in agreement on the need for the withdrawal of Israeli troops from south Lebanon.

"South Lebanon must recover its liberty," Mr. Mitterrand said. "France is favorable to a complete evacuation of the Israeli troops. Who can disapprove Syria's efforts to keep Lebanon together and assist it?"

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## WORLD BRIEFS

### EC Aides Fail to Agree on New Entries

**BRUSSELS (Reuters)** — The foreign ministers of the European Community appeared Wednesday to have accepted the idea that they cannot agree on key terms for Spanish and Portuguese entry into the EC and were certain to pass the problems over to Monday's summit meeting in Dublin, diplomats said.

Spanish and Portuguese ministers have been waiting to start a final round of entry negotiations with the community ministers. However, only the Irish foreign minister, who is the meeting's chairman, and the French minister for European affairs were present here when community ministers resumed their meeting Wednesday. The other eight member nations were represented by more junior ministers.

Community leaders meeting in Dublin are expected to discuss the major problems in the negotiations with Spain, particularly Italy's concern that proposals to curb surplus wine production would further reduce the incomes of its farmers. Spain and Portugal are scheduled to join the EC in 1986. Ministers are under pressure to complete negotiations with the two countries by the end of this year to allow time for member parliaments to ratify the entry treaties.

### Church Names Replacement for Tutu

**JOHANNESBURG (AP)** — The Reverend Beyers Naude, a white opponent of racial segregation who has been banned twice by the South African government, has been asked to replace Bishop Desmond Tutu as head of the South African Council of Churches.

Mr. Naude, whose latest banning order was lifted in September, said Wednesday that he would reply in a few days to the council's request that he become acting general secretary of the council for two years. Bishop Tutu, the black activist who was awarded the Nobel Peace Prize last month, has been named the Anglican bishop of Johannesburg.

The executive committee of the council, whose members represent 12 million people, decided Tuesday night to ask Mr. Naude, 69, to head the council for two years while a special committee reviews the role of general secretary.

### Qadhafi Denies Libyans Still in Chad

**WASHINGTON (UPI)** — The Libyan leader, Colonel Moammar Qadhafi, has denied that Libyan troops remain in Chad in violation of a withdrawal agreement with France and referred to President Ronald Reagan and Prime Minister Shimon Peres of Israel as "terrorists."

In an interview Tuesday with ABC television, Colonel Qadhafi said he was misunderstood in the United States. He said he wanted to "create a new world of peace, of happiness, of love, between all the peoples in the world." He added: "I think maybe public opinion in the United States of America does not understand me well." He said that Mr. Reagan and Mr. Peres were "terrorists — and criminals of war."

Two weeks ago, U.S. intelligence reports quoted in several newspapers said about 3,000 Libyan troops remained in northern Chad despite a Sept. 16 agreement with France to pull out. The report occurred after the French government had announced that troops of both countries had been removed. He said "all of the Libyan troops" had been withdrawn from Chad and insisted that France has kept 300 French soldiers in Chad. "I stick to my word," Colonel Qadhafi said.

### Workers' Taxes Cut in Greek Budget

**ATHENS (Reuters)** — Greece's Socialist government, which faces an election next year, announced a 1985 budget Wednesday that will cut workers' taxes but increase spending on health and education.

Planned changes in the income tax scale allow new tax relief measures should raise workers' living standards by around 2 percent, according to Gerassimos Arsenis, the finance minister.

Mr. Arsenis said the changes would cost the government about 25 billion drachmas (\$200 million), which it hoped to recoup by cracking down on tax-dodgers and through higher taxes on cigarettes and foreign travel.

### For the Record

The world chess champion, Anatoli Karpov, leading 5-0 in his title defense, played to a draw Wednesday against his challenger, Gary Kasparov, in their 28th game. They agreed to a draw after Mr. Kasparov's 25th move. Competition is scheduled to resume Friday. The first man to win six games wins the title. (AP)

Yugoslavia said Wednesday it is extending diplomatic recognition to the Saharan Arab Democratic Republic, set up by the Polisario Front, which is fighting Morocco for control of the Western Sahara. (AFP)

### Correction

Shell Internationale Petroleum Maatschappij BV has appointed John Jennings exploration and production coordinator. Because of an editing error, his full name and new title were omitted from Wednesday's Business Europe column.

## Allies Hope Arms Talks Kill U.S. Space Weapon

(Continued from Page 1)  
Foreign Affairs magazine by Robert S. McNamara, the former American defense secretary, and three other former U.S. officials.

They criticized Mr. Reagan's initiative as the start of a new, unnecessary arms race, and they recommended that Mr. Reagan capitalize on the political clout of his electoral victory to extract arms agreement and to defend it successfully at home.

European criticism of U.S. arms-control policy in general is still widespread after the political tensions surrounding the deployment of intermediate-range nuclear missiles in Western Europe by the North Atlantic Treaty Organization.

Karsten Voigt, foreign policy spokesman of West Germany's opposition Social Democrats, said in a recent interview that "the United States is pushing for new weapons in space and on land because it has a technological lead, but German opinion would like to see the Reagan administration try to use that edge to get the Soviets to agree to mutual restraint."

Mr. Voigt, like the authors of the Foreign Affairs article, has been a persistent advocate of more U.S. concessions to get arms-control agreements with the Soviet Union.

Even among more conservative European strategists, who are convinced the Reagan administration intends to intensify research on anti-nuclear defenses even if disarmament talks begin, there are questions about the real U.S. objective.

Many European experts suspect that the space-based defense, with its promise of immunity from nuclear strikes, is actually a backdoor approach to reviving ballistic missile defenses to protect U.S. silos.

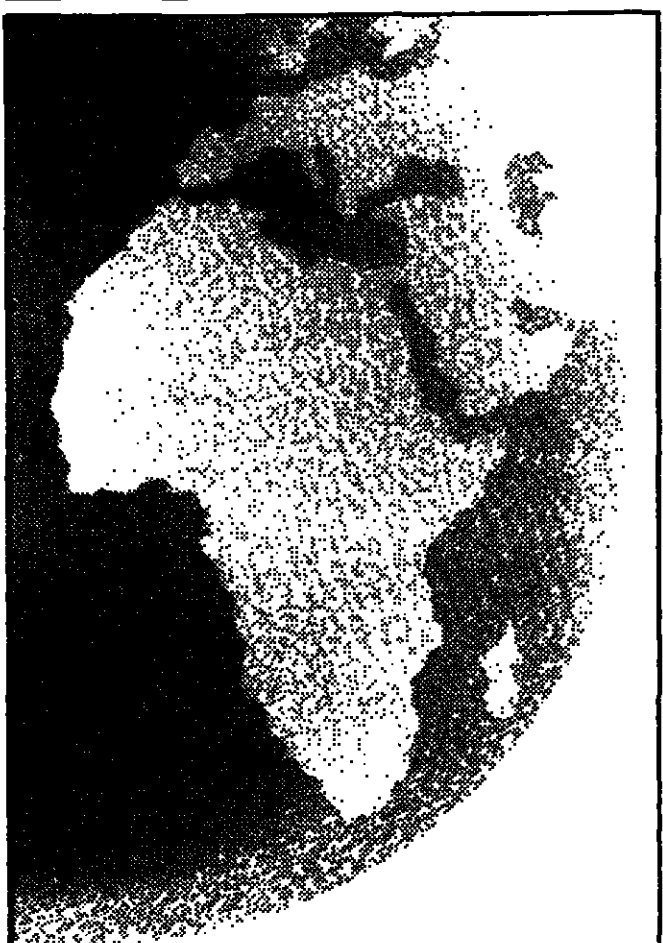
"It's politically appealing to tangle the prospect of putting the nuclear genie back in the bottle by making nuclear weapons impotent, but it's unrealistic," said Pierre Lelouch of the French Institute for International Relations. "Instead, we are likely to get a modernized version of the anti-ballistic missiles banned by the ABM treaty."

The Anti-Ballistic Missile Treaty, signed by the United States and the Soviet Union in 1972, is widely viewed as the cornerstone accord in arms control. Any threat to the treaty would be widely viewed in Europe as a challenge to the future of arms control.

### Reagan, Kirkpatrick to Meet

United Press International

**WASHINGTON** — President Ronald Reagan is to meet Thursday with Jean J. Kirkpatrick, the retiring U.S. representative at the United Nations, to discuss her future plans, but Mr. Reagan said he has no White House job that is "worthy" of her, said Larry Speakes, the president's deputy press secretary.



## THE WHOLE WORLD OF AEROSPACE TAKES ITS DIRECTION-AND ITS DIRECTORIES-FROM FLIGHT

Flight International is the leading journal for aerospace professionals everywhere. Published in London, with a global network of correspondents and a globe-travelling team of experts, it reports and analyses new developments in air transport, defence, business and light aviation, spaceflight, avionics, industry and technology world-wide.

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## Tax Plan a Starting Point for U.S.

(Continued from Page 1)

jection to the Treasury proposal is that it generates no additional tax revenue. Many members of Congress believe that, with any simplification of the tax code, taxes also must be raised to narrow expected federal budget deficits of more than \$200 billion.

Some congressional experts also were baffled by an apparent repudiation of the Reagan administration's 1981 policy initiatives, especially the accelerated-depreciation allowances that were granted businesses as part of the 25-percent reduction in individual tax rates Congress voted then. The Treasury's proposal would substantially reduce those advantages, to which some supply-side economists attri-

### U.S. Retains Tax Exclusions for Americans Abroad

International Herald Tribune

**WASHINGTON** — The U.S. Treasury Department said Wednesday that the current exclusions for earned income and housing costs for Americans living abroad would be retained under its tax reform proposal sent to President Ronald Reagan this week.

Under provisions approved by Congress in 1981, Americans overseas are allowed to exclude the first \$80,000 of income earned abroad from their U.S. income tax. Housing costs beyond a base amount also are exempt from tax.

bute some of the strength of the country's 1983-84 recovery.

Such analysts also were struck by the timing of the Treasury's announcement — before the president had approved it and two months before he presents his own

plan. "I think Congress will be very wary," said an economist, who like most congressional aides asked not to be identified by name.

Among interest groups, some regular allies of the Reagan administration expressed misgivings about the proposal, suggesting that they, like the White House staff and members of Congress, view it as more a menu they will pick and choose from than a meal.

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## White House to Delay Its Report on Alleged Soviet Arms Violations

By Bernard Gwertzman  
New York Times Service

WASHINGTON — White House officials have announced that they will delay until February the release of a report on alleged Soviet arms-control violations that was scheduled to be made public Saturday.

This means that the report, said to include up to 19 possible Soviet violations, will not be released before Secretary of State George P. Shultz meets with Foreign Minister Andrei A. Gromyko in Geneva on Jan. 7 and 8.

But the White House officials, aware that they could be accused of trying to cover up the Soviet violations to improve the atmosphere for the meeting, denied such motives for the announcement Tuesday. They said that the study, which the Senate and House armed services committees had requested by Saturday, was not complete.

The White House is also required to send to Congress on Feb. 1 and Feb. 15 additional classified on Soviet compliance with previous arms-control accords.

Because of the multiple requests, a White House official said Tuesday, "It would appear that the most logical thing to do, and the most doable thing, is to combine the Dec. 1 report with the other mandated congressional requests and to report in one rather comprehensive report in February."

Earlier, a Senate aide said the White House was under pressure from the State Department to delay the report because of the Geneva meetings.

But a White House official said, "Let anyone think it is the State Department pressing the White House, we would have more concern about the atmosphere being poisoned once the negotiating process starts."

He insisted that the decision to put off the report was made by specialists on the National Security Council staff who said they were overworked preparing for the Shultz-Gromyko meetings.

The accounting due Saturday had been called for in the armed services committees' conference report on the defense authorization bill for fiscal 1985.

It was supposed to detail Soviet violations as they might affect the deployment of a American MX missile to be voted on by Congress in March.

Because the request was in the conference report and not in the legislation itself, there was no legal requirement for the administration to comply, administration and congressional sources said.

A similar report, listing seven instances in which the Soviet

Union might have violated arms-control accords, was sent to Congress in January, shortly before Mr. Shultz met in Stockholm with Mr. Gromyko.

Another report on possible Soviet violations, compiled by the General Advisory Committee on Disarmament, a nongovernmental panel, was released last month, after being delayed so as not to impinge on President Ronald Reagan's meeting Sept. 28 with Mr. Gromyko.

A Senate aide, who said he had direct knowledge of what was being prepared for the Saturday report, confirmed that it included as many as 19 purported Soviet violations.

According to the aide, among the purported violations under study are possible testing of anti-ballistic missiles, deployment of mobile radars and further information that a phased-array radar near Krasnoyarsk is being deployed in violation of the 1972 anti-ballistic missile treaty.

He said that the Russians have also apparently violated a pledge by President Leonid I. Brezhnev, who died in 1982, to limit the production of the bomber known in the West as the Backfire to 30 a month. He said that some estimates say that as many as 35 are being produced monthly.

### Reagan Sets Meetings

President Reagan pledged Tuesday to meet weekly with his arms-control advisers to develop a strategy for U.S.-Soviet negotiations, the Los Angeles Times reported from Washington.

The announcement seemed designed to counter published reports that earlier administration arms-control proposals were developed with little guidance from, or understanding by, the president.

Officials said the announcement was also intended as a signal that the Reagan administration had dropped the idea of appointing an arms-control "czar."

The president is the czar, said a White House spokesman, Robert Sims. "That's what it boils down to."

### Talks Resume in Moscow

The United States and the Soviet Union resumed talks Wednesday on nuclear nonproliferation, the first superpower negotiations on nuclear arms since February, The Associated Press reported from Moscow.

The talks are not directly related to the suspended negotiations on medium-range and strategic nuclear weapons.

A spokesman for the U.S. Embassy said that the talks began at the Soviet Foreign Ministry and would last through Friday. No details were available.



Karl F. Koehler, left, is escorted by an FBI agent after his arrest on charges of spying for Czechoslovakia.

## Ex-CIA Worker Held As Czechoslovak Spy

By Mary Thornton  
Washington Post Service

WASHINGTON — A former employee of the Central Intelligence Agency has been arrested by federal agents in New York on charges that he provided classified national security information to the Czechoslovak Intelligence Service.

There was no description of the material he may have provided.

William H. Webster, director of the Federal Bureau of Investigation, said that Karl F. Koehler, 50, a naturalized U.S. citizen, worked for 19 years in the United States as a spy for the Czechoslovak agency.

Mr. Koehler was arrested Tuesday by the FBI and charged with delivering defense information to aid a foreign government. If convicted, he could face life in prison.

His wife, Hana, 40, was described in court papers as a courier for the Czechoslovak agency from 1974 to 1983. She was held as a material witness, but not charged.

The FBI said that Mr. Koehler was born in Czechoslovakia and was trained by the Czechoslovak agency from 1963 to 1965 as an intelligence officer. Mr. Koehler

entered the United States in 1965 with his wife, and later became a citizen, the bureau said.

Although the FBI provided few details, it said that Mr. Koehler was an "illegal officer" of the Czechoslovak agency and that he had been directed to infiltrate "through employment any U.S. intelligence agency."

The bureau said that Mr. Koehler worked for the CIA from February 1973 to August 1975 as a "support or contract" employee who had a security clearance with access to classified national security information.

The FBI refused to provide details of Mr. Koehler's activities during the time he was not employed by the CIA.

A CIA spokesman would not elaborate on Mr. Koehler's duties or why he left his agency job.

An affidavit filed in U.S. District Court in Manhattan said the Koehlers were arrested Tuesday afternoon at their New York apartment, which they sold Monday. They were scheduled to fly from New York on Tuesday night to Zurich, the court papers said, and "intended to reside in Austria."

## Mobocracy Invades Most Exclusive Club

U.S. Senators Assert That Civility, Thoughtful Debate Have Been Lost

By Martin Tolchin  
New York Times Service

WASHINGTON — The U.S. Senate was created as a legislative aristocracy whose members would have six-year terms to insulate them from passing political passions.

In the view of many senators, however, it has degenerated into a raucous town meeting, focusing on narrow issues of the moment rather than the broad policy decisions envisioned by the founding fathers.

To many senators, nothing sounded the alarm so clearly as the tumultuous closing days and nights of the session last month, when members arose from gym cots in pre-dawn hours to vote on hundreds of amendments to a money bill so complex that few, if any, knew what they were voting on.

"We are witnessing the disintegration of the U.S. Senate," said Senator Dan Quayle, Republican of Indiana. He is chairman of a committee that has been studying the chamber and hopes to complete recommendations for reform soon.

The panel was established in June because of widespread discontent over a generally chaotic atmosphere that includes all-night sessions and what many regard as an overload of committee assignments, the decline of the Senate as a premier forum for debate, and what one aide described as the willingness of members to throw a monkey wrench into things to achieve their own goals, no matter what the larger cost.

The democratization of the Senate has involved transformation from a body ruled by a few barons to a chamber of 100 equal members.

With the help of the Quayle recommendations, senators are to decide early next year whether it would be better to continue the trend toward equality among members or to vest more power in the leadership.

What they want to avoid is a repetition of the close of the last session.

The clear consensus among members is that the Senate was out of control. Many put the blame on democratization.

In the view of most members, the modern Senate derives from the changes of the 1970s, after Vietnam and Watergate.

In 1961, when Lyndon B. Johnson became president under John F. Kennedy, Mike Mansfield succeeded Johnson as majority leader. Mr. Mansfield, Democrat of Montana, envisioned a Senate of 100 equals and opened up committee assignments to junior senators.

The younger members were also given larger staffs, which enhanced their power and that of senior aides.

"Mansfield was anti-elitist," said Charles Ferris, who was an aide to the majority leader. "He believed that there should not be super senators. The notion that there were giants in the Senate assumed there were pygmies."

Paradoxically, democratization has created a situation in which it has become increasingly difficult for the majority to prevail. A decade of diffusion of authority has steadily eroded the powers of seniority and leadership, creating near anarchy.

In addition, modern technology — television, air travel, public opinion polling, and the use of computers — has all but destroyed the insularity of the chamber as senators now vie for 30-second television news spots. The ornate chamber of what has often been called the world's greatest deliberative body no longer resounds to the thunder and whispers of great debates.

A limitation on outside income has led many senators to conclude that only the rich can afford the Senate. More than half the members are millionaires.

And in another break with the past, when men grew old in the Senate, nearly half of the current senators are in their freshman terms. Members lament the lack of an institutional memory. They also bemoan a breakdown in civility in the chamber, and speak of "legislative gridlock" caused by "elected bureaucrats" whose proliferation of staff and legislation has led to the "trivialization" of the Senate.

Senator Rudman believes, however, that incivility always lurked beneath the surface.

"The so-called courtesies in the old days were strictly style," he said. There was courtesy in the debates on the floor, and political assassination in the cloakrooms.

They'd break your kneecaps. There's more honor in the Senate today."

Senator Howard H. Baker, the majority leader who is retiring this year, describes many of his colleagues as "elected bureaucrats" who develop expertise in a single field rather than a general approach to problems.

One result of the general anarchy on the floor, he noted, was that the leadership was often forced to limit debate to move the chamber to vote on major issues. Last September, for example, the Senate had a cloture vote on a motion to proceed to a highway bill.

The cloture rule was adopted in the Wilson administration in response to a filibuster against a bill that would have permitted the arming of merchant vessels in World War I, a matter of grave national importance. And it was first invoked to limit debate on the Treaty of Versailles, another matter in which the most fundamental principles were at stake.

Partly as a result of the easing of cloture procedures in the civil rights battles of the 1960s, there have been 30 cloture votes in the last four years, the same number as in the 45 years from the Treaty of Versailles through the Civil Rights Act of 1965.

Senators also complain that procedures require them to vote numerous times on individual major issues as they arise in the budget, in bills to authorize spending on projects, and in legislation to appropriate money for projects.

Another complicating factor is the expanded role of freshmen senators, long relegated to subservience. In the old Senate, first-term senators took many months, sometimes years, to make their maiden speeches. All their colleagues attended such events and parties were held afterward. But now that everyone can talk, many say, nobody listens. Few senators are on the floor to hear even major speeches.

Freshmen are rewarded with subcommittee chairmanships shortly after they arrive on Capitol Hill.

The purpose of the Senate, as described in the federalist papers, was to provide stability and continuity, review the actions of the more numerous and less-tenured House of Representatives, and resist the whims of change.

Senator Daniel Patrick Moynihan, Democrat of New York, traces the modern Senate to ratification of the 17th amendment in 1913, which provided for the direct election of senators.

"The founding fathers envisioned a body that was one re-

## Dole Elected To Top Post In U.S. Senate

(Continued from Page 1)

Jr. of Tennessee, who is retiring from the Senate and is also a potential presidential candidate for 1988.

A renowned wit and one of Congress's most powerful figures, Mr. Dole has edged away from a reputation for ruthlessness.

As chairman of the Senate Finance Committee, he has divided much of his time between deftly guiding tax and spending bills through the Senate and trading quips, just as deftly, with his wife, Transportation Secretary Elizabeth Dole.

The Republicans took control of the Senate after the 1980 election. Senator Baker, the retiring majority leader, guided much of President Ronald Reagan's first-term legislative program through the Senate.

Senate Democrats will elect their leaders Dec. 12. Democratic sources say that neither Senator Robert C. Byrd of West Virginia nor his deputy, Alan Cranston of California, was expected to encounter opposition.

Among Senate chairmanships changes precipitated by Senator Dole's election were the following:

• Robert Packwood of Oregon is expected to relinquish his chairmanship of the Commerce Committee and take over the Finance panel from Senator Dole.

• John C. Danforth of Missouri would replace Senator Packwood at the helm of the Commerce Committee.

• Senator Barry M. Goldwater of Arizona is expected to replace Senator John Tower of Texas, who is retiring as chairman of the Armed Services Committee.

• Senator Lugar is likely to take over the chairmanship of the Foreign Relations Committee.

The one potentially unsettled position is the Foreign Relations position. It was opened up by the defeat of Senator Charles Percy of Illinois in the Nov. 6 elections.

Senator Helms of North Carolina could claim that seat, but he has promised voters of North Carolina that he would retain the top slot at Agriculture, from which he has watched out for the state's farmers.

Conservatives have put tremendous pressure on Senator Helms to change his mind and move to Foreign Relations. Aides on Mr. Helms's personal and committee staffs said after the leadership election Wednesday that there was no reason to believe that the senator had changed his mind.

(AP, UPI, NYT)



Mike Mansfield



Robert J. Dole

moved from popular choice, chosen by the state legislatures, Senator Moynihan said. "The Senate was to represent the interests of the states. Delaware and New York were to be equals. When senators were chosen by the state legislatures, there was a greater probability that they would do just that."

In the mid-1970s, junior senators were awarded increased authority. In a crucial victory, they won the right to hire additional legislative staff members to assist in their committee duties, and to have staff members sit in on committee meetings in the senators' absence.

But most senators now say that the staff situation is out of hand. The number of Senate staff members has grown to 1,176, from 595 in 1968. Senator Baker attributes much of the legislative proliferation to the increase in the number of staff members, who have been accused of seeking to justify their existence by generating bills.

But Senator Rudman, like most of his colleagues who continue to take pride in the chamber, said he would not trade his job.

"There is no more important work for anyone interested in public policy than the U.S. Senate," he said. "But anyone who is achievement-oriented and likes instant gratification better not come down here."

## South African, Assailing Protest, Reminds U.S. of Tehran Takeover

By Sandra Saperstein  
and Michel Marriott  
Washington Post Service

WASHINGTON — The South African ambassador has angrily responded to protests outside his embassy in Washington, likening the incidents to the 1979 takeover of the U.S. Embassy in Iran.

Two more prominent black leaders were arrested Tuesday outside the embassy, and the protest movement against South Africa's racial policy grew in cities around the country.

Ambassador Bernardus G. Fourie, in a television interview

Tuesday, compared the protests to the embassy takeover in Iran. He said he was "rather surprised, shocked" that the United States, "a country whose embassies have been violated," would allow "the sanctity of an embassy to be violated in this fashion."

Mr. Fourie's first public response to the protests occurred shortly after a U.S. representative, John Conyers Jr., of Detroit, and William Simons, president of the Washington Teachers Union, were arrested outside the embassy in the second week of peaceful demonstrations against South Africa's

apartheid policy of racial separation.

The arrest of Mr. Conyers, 55, an 11-term Democratic congressman who helped found the Congressional Black Caucus, and Mr. Simons, 60, brought to seven the number of prominent black leaders arrested in Washington during the protest.

The movement's leaders have said they are seeking to win the release of black South African labor leaders who were imprisoned recently without charges, and to pressure the Reagan administration to change its policy toward the nation controlled by a white minority.

Sympathetic groups already have formed in Boston and Los Angeles, where there have been demonstrations outside offices designated as South African consulates, according to a spokesman for TransAfrica, a black foreign policy group that lobbies for African and Caribbean interests and is coordinating the protest movement.

A spokesman, David Scott, said new groups were forming in Chicago, Seattle and Houston, and that hundreds of calls and letters from citizens and black political leaders have been pouring into TransAfrica's Washington office.

Other prominent black leaders, including the Reverend Jesse L. Jackson and Coretta Scott King, likely will join in the protests later this week, according to Mr. Scott, who said their precise roles had not yet been determined.

Arthur Ashe, the tennis star, joined the demonstrators outside the embassy Tuesday.

Mr. Conyers and Mr. Simons were arrested on the misdemeanor charge of crossing police lines after



Randall Robinson, right, a lobbyist, and Representative Charles Hayes, Democrat of Illinois, who were arrested at the South African Embassy, leave court in Washington.

a brief exchange with District of Columbia police. About 100 demonstrators chanted "Freedom, yes, apartheid, no" outside the embassy.

After police told Mr. Conyers and Mr. Simons they could not cross wooden barricades set 500 feet (152 meters) from the embassy, Mr. Conyers responded, "I feel duty bound to keep my agreement made with the brothers and sisters on the line, that we attempt to see the ambassador."

With that, the two crossed the barricades and walked about 40 feet. The police then took them gently by the shoulders and arms,

handcuffed them and took them away in a patrol car.

Mr. Simons was released and ordered to appear in court Wednesday. Mr. Conyers, following the example set by others arrested previously in the protest, decided to spend the night in jail before his court appearance.

Senator Daniel Patrick Moynihan, Democrat of New York, traces the modern Senate to ratification of the 17th amendment in 1913, which provided for the direct election of senators.

"The founding fathers envisioned a body that was one re-

## Sharon Denies Crime, Writer Calls Him Ruthless Leader

Washington Post Service

NEW YORK — Ariel Sharon, the former Israeli defense minister, has ended his seventh day on the witness stand in his \$50-million suit against Time Inc. with testimony in the case veering sharply between issues of trial and the rhetoric of a political trial.

On Tuesday, Mr. Sharon was followed to the witness stand by David Halevy, an Israeli citizen and correspondent for Time. Mr. Sharon is charging that Time Inc. defamed him in a February 1982 article about massacres by Lebanese Christian militiamen whom he had allowed into the two Beirut refugee camps.

Mr. Sharon spoke about how he had been vilified around the world and had lost his post as defense minister after an Israeli commission determined that he bore indirect responsibility for the massacre of hundreds of Palestinians in September 1982.

"I felt that I was punished without committing any crime," Mr.

Sharon said. "I didn't commit any crime."

Mr. Halevy said of Mr. Sharon: "He is a politician incapable of being a statesman. He is a ruthless leader. His ambition for power is naked and he is causing tremendous damage to the state of Israel and his own environment."

Summoned as a "hostile witness" by Mr. Sharon's lawyers, Mr. Halevy said that Mr. Sharon had been his boyhood hero and that he had deep respect for Mr. Sharon's abilities until Israel's invasion of Lebanon in June 1982.

[Mr. Halevy said Thursday that an Israeli general he would not identify told him Mr. Sharon had called for "reaction of some kind" after the assassination of President-elect Bashir Gemayel of Lebanon. The Associated Press reported.]

[Mr. Halevy testified that he had four sources of information on Mr. Sharon's meeting with Christian Lebanese leaders. He would not name the four, citing the need to keep his sources confidential.]

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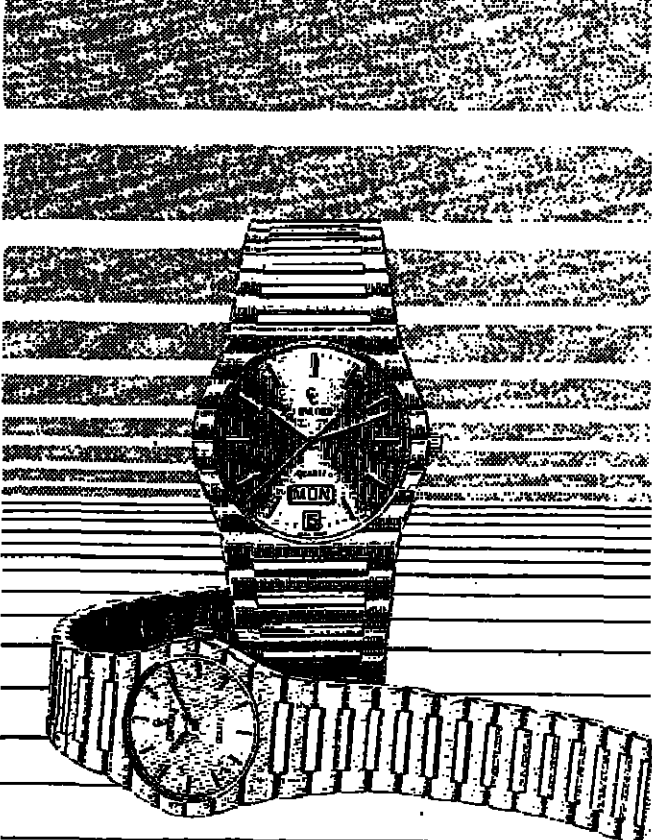
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# Herald Tribune

Published With The New York Times and The Washington Post

## Fire Behind This Smoke

Look at all the balls up in the air in Washington... or are they trial balloons? ... or just smoke? The U.S. Treasury is proposing a vast tax reform plan. The Budget Office offers a list of spending cuts in popular programs. There is enough controversy for four more years and then some. But is this all the economic program President Reagan has in mind? These ideas are interesting, perhaps even meritorious, but they evade the central issue: how to curb the federal deficit.

The tax plan is said to be "revenue neutral." If the Treasury's debatable estimates are correct, it will not bring in a dollar more in taxes. But more has to be raised. Even if Congress approved every cut on the Office of Management and Budget's list—about as likely as Mr. Reagan switching parties again—the deficit would still be a tormenting problem. What is still needed is restraint on the Pentagon.

Why all this budget maneuvering? It is always useful to test radical ideas in debate before the president submits his final proposals to Congress in January. He surely will not embrace everything the Treasury and the OMB suggest. But the extraordinary flow of leaks and announcements invites suspicion that something important is not being men-

tioned: the administration's evident decision against making deficit reduction its top priority. Let Congress do it—and take the heat.

Introducing a simpler and fairer tax system would be difficult at any time, so strong are the vested interests in tax rates and loopholes. The Treasury's plan is riddled with good sense, but attempting reform now will be enormously complicated by the need for greater revenues. Tax reform and tax increases might be taken on together. But if a choice is necessary, America's economic welfare hangs on reducing the deficit. And that means raising revenues.

Of the \$1,000 billion or so that the government spends each year, outlays for the military, Social Security and interest on the national debt take two-thirds. Interest is an obligation; it must be paid. Although defense and Social Security could be cut, the president holds them out of bounds. That leaves only a third of the budget subject to cutting, and much of that is politically sacred. When all the possible nondefense cuts have been made, it will still be necessary to tackle defense.

The deficits of Mr. Reagan's first term are the burden of his second. His firemen are preoccupied with smoke. What about the fire? —THE NEW YORK TIMES.

## Hailed Into World Court

The Reagan administration made a tactical error by contending legally that the International Court of Justice had no jurisdiction to hear Nicaragua's complaint of U.S. aggression. The World Court, built on a United Nations design, is essentially a political body. No other case having to do with the use of force or a threat to the peace has ever come before it; these have always been accepted as political questions, to be dealt with elsewhere. Given the David vs. Goliath aspect of this matter, however, it would have been only prudent to anticipate that the World Court might choose to hear the case. That it has now done, putting the United States in the uncomfortable position of appearing reluctant to be brought before international justice.

This leaves the Reagan administration with two things to do. First, it should openly accept the political nature of the forum and stoutly defend U.S. national interests within it. The U.S. policy is not particularly popular even among friends in Western Europe, whose judges were among those rejecting the non-jurisdiction claim. Still, the United States is not without a serious case. It can argue in The Hague, as it has argued at the United Nations and in other forums, that the respect for law

contemplated by the UN Charter is a two-way street: Nicaragua must be expected to stop its depredations against neighbors if the United States is expected to halt measures that it insists it takes for collective self-defense. Surely the Reagan administration has enough confidence in its policy to carry it to The Hague.

Second, something further has to be done about the CIA operations that are at the heart of Nicaragua's complaint: They should be stopped, finally and permanently. The purpose is not to get right with the World Court but to lift a burden from U.S. policy. Nicaragua, some of so many past U.S. interventions, is not the right place to sustain this one. Support of the contras gets in the way of other means—aid and diplomacy—available to Washington to fulfill obligations to friends in Central America and shift the struggle in the region toward more peaceful channels.

Committed as it is, the Reagan administration may not be ready to end a program for which it is being stung in world opinion. But there are other reasons to end it. As it happens, the odds are strongly against congressional renewal of the requisite funding. A mooted of the case by this means would be a good idea. —THE WASHINGTON POST.

## Other Opinion

### Japan: Close Aerial Encounters

In the past few weeks there have been an alarmingly high number of Soviet reconnaissance bombers coming close to and in a few cases trespassing in Japan's airspace. The Air Self-Defense Force responds by ordering its jet fighter units to intercept the possible intruders. More than three dozen ASDF jet fighters were mobilized to intercept the bombers during the first of this month's two episodes.

[Soviet] long-range maritime reconnaissance and/or attack planes are deployed not only for exercises of a routine nature but also for reinforcement of aircraft units stationed in such overseas bases as the ones at Vietnam's Cam Ranh Bay. The Soviet Union has access to the strategically important naval and air bases in that country, from which maritime interdiction operations could be launched in time of a crisis in the Indian Ocean or the Gulf region.

With at least six dozen supersonic Backfire bombers based in Siberia and a dozen or so in Vietnam, there are a variety of approach paths toward the Japanese islands. This and other factors call for steps to introduce sophisticated high-performance interception fighters such as the F-15, which some ASDF units have started using, and to develop a yet more advanced tactical fighter plane, which is now under way.

Preparedness is required today to prevent any midair encounter close to Japan's vicinity from developing into a serious incident, and to meet possible air threats of tomorrow. —The Japan Times (Tokyo).

### Words for 1985, Off the Wall

The first sure sign that the end of the year is approaching is the arrival of the Rand Corporation calendar. For the last 22 years the Santa Monica, California, think tank has put aside thinking about nuclear war long enough to cull a dozen provocative quotations from hither and yon and affix one to each month. The

quotations express "unconventional wisdom," in the words of Malcolm Palmatier, who oversees the project. We cheated and looked ahead.

In March we found Bernard Brodie, who says: "In wars throughout history, events have generally proved the pre-hostilities calculations of both sides, victor as well as loser, to have been seriously wrong. ... Our experience thus far with scientific preparation for military decision-making warns us to appreciate how imperfect is even the best we can do."

In April, Sam Levenson speaks on behalf of maladjusted children: "If the founding fathers of this country had all been well-adjusted we would still be a British colony."

Edward R. Murrow enlightens June with the observation: "To produce change, unless it is imposed by tyranny, there must be a difference of opinion; there must be opposition; there must be pioneer thinking; there must be freedom to criticize; there must be the unremitting conflict and testing of ideas."

Then on to September, when children will go back to school and Edith Hamilton extols the pleasure of learning for its own sake: "To be able to be caught up in the world of thought—that is to be educated."

In even-numbered years November is the month for choosing political leaders. November gets next year off, but Machiavelli's words will keep: "The first impression that one gets of a ruler and of his brains is from seeing the men that he has about him."

And in December the words of Albert Einstein will be hanging over our desk: "Our time is distinguished by wonderful achievements in the fields of scientific understanding and the technical application of those insights. Who would not be cheered by this? But let us not forget that knowledge and skills alone cannot lead humanity to a happy and dignified life. Humanity has every reason to place the pre-claimers of high moral standards above the discoverers of objective truth."

—The Los Angeles Times.

## America Has Renounced Its World Role

By Christoph Bertram

HAMBURG—To those who judge power by the size of military arsenals, the question of whether the United States is still a superpower will come as a surprise. During the past four years the United States has spent almost \$1 trillion on defense, and its military strength, which has always placed it in the top bracket of the international list, has grown commensurately. The United States today is militarily stronger than for many years when there was no question of its status as a superpower.

So why should there be doubt over its superpower status? The answer is that it takes more than military strength to qualify.

What distinguishes a superpower from the other actors on the world stage is willingness and ability to design and maintain a framework of international order that serves its own interests while accommodating the interests of the large majority of weaker countries. It is the commitment not only to its own well-being but also to that of the international community as a whole.

In this respect the Soviet Union has never been a superpower, and is unlikely to become one. It is true that Soviet leaders have long harbored the dream of a world shaped in their own ideological image, but that is less a blueprint for international order than a wholly unrealistic vision of a "socialist paradise." In practical terms the Soviet Union has no concept of international order and has done nothing to develop such a concept. Instead it has concentrated on shoring up its empire against outside influence and on demanding, from its neighbors and all others, respect based on its size and power.

There was a time when America was a superpower in the true sense: confident not only in its strength but also in its ability to build, together with others, a world of shared duties and rights, and ready to carry the major burden in this

enterprise. None of today's international organizations would have been created without this American readiness—from the United Nations to the International Monetary Fund, from the World Bank to the International Energy Agency.

But, judging by the current mood in the United States, those days are long gone. America's development aid to countries other than the ones judged to be of strategic interest in the Middle East and Central America has shrunk rapidly; a few weeks ago, David Rockefeller rightly called that "a pretty shabby performance."

High budget deficits are maintained without the slightest concern for the effects either on the developing countries or on America's more affluent partners. To the poor of the world, Washington preaches the virtues of the market economy, which is supposed to improve their lot and combat the pressures of population growth.

In the United Nations the Reagan administration has shown little understanding of the legitimate diversity of international society and instead has preferred a becoming stance of "them and us." After the president's dismissive remarks a year ago in connection with the possible change of the site for the UN headquarters—"We aren't asking anyone to leave but if they choose to leave, goodbye"—can anyone assume that, were the United Nations being set up today, America would have the generosity and the commitment to invite the organization to New York?

The sad truth is that America has given up the traditions it established after World War II, apparently not only without regret but with a sigh of relief. Rather than accept the challenge of formulating an international order that promises cooperation and stability for the 1990s, America

prefers to pursue its interests alone. It is no longer a producer of international order.

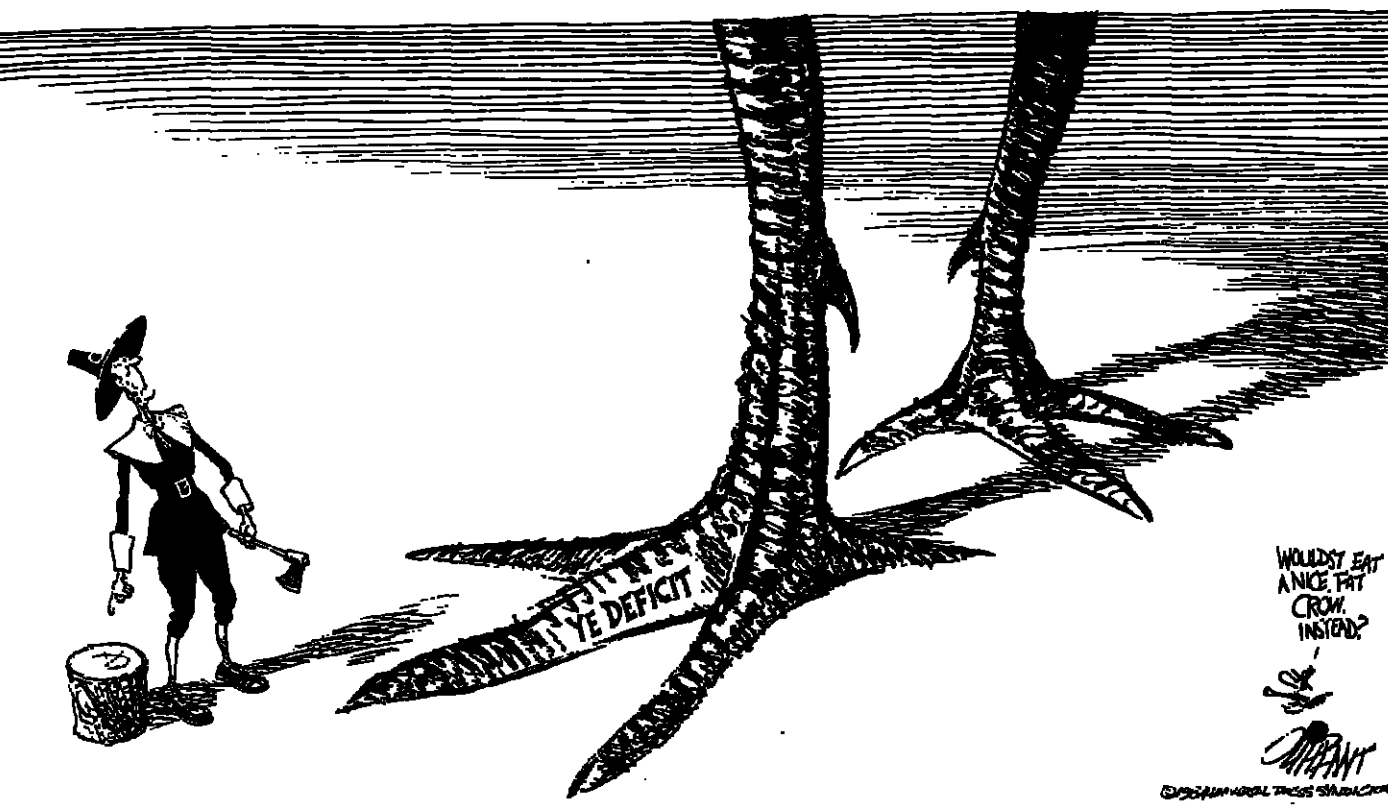
As a European, one cannot, of course, point the finger accusingly at America alone for this sad state of affairs. It was probably always too much to expect that America could on its own maintain the spirit and the structures of internationalism, that it could generate the necessary generosity and confidence without strong support from its Western partners and friends.

In fact, the decline of internationalism is as much to blame on American nationalism as on European provincialism. Europeans have absorbed their energies in quarreling with each other over narrow national advantages rather than providing, for an internationally minded America, a supportive partner. The people and the governments of Western Europe, who often find it so convenient to blame America, have enough reason for blaming themselves.

But that does not remove the sadness. We once had the chance, when the United States was combining strength with generosity, to build a world in which might did not impose right alone. We are now back in a world in which the strong do what they want and the weak suffer what they must—in which the title of "superpower" is a measure of military strength alone.

It is true that the strong and the rich nations will cope much better in such a world than the weak and the poor. But it would be comforting if Americans, rather than embracing with apparent relief the return to earlier periods of international Darwinism, had at least a tinge of regret and, perhaps, a bad conscience as well.

The writer is political editor of *Die Zeit* and a former director of the International Institute for Strategic Studies in London. He contributed this comment to *The Washington Post*.



## Deficit: Conservatism Used to Mean Flinty Realism

By George F. Will

WASHINGTON—When some Homer comes to write an epic poem about the intellectual odyssey of American conservatism, he will want to dwell on an episode in Sidney, Ohio, in autumn 1984. There President Reagan, custodian of conservatism, speaking from the rear platform of a train, said: "My opponent Mr. Mondale offers a future of pessimism, fear and limits."

It is enough to curl your hair: Walter Mondale, that cad, was going around scaring the children with the thought that there are limits.

Time was when the proudest boast of conservatism was a flinty realism. It looked like the face of realism, flinching from the facts about the costs of things. No more.

Mr. Mondale was somewhat shaky on the subject of limits. Promising more "compassion" for the poor, and for lots of other folks, and promising to trim the deficit at the same time, he sounded like the will that François Rabalais left when he died in 1533: "I have nothing. I owe much. I leave the rest to the poor." But conservatives are supposed to be different.

Mr. Reagan's statement in Sidney talked about the Republican future of "hope, confidence and growth." The question today is about the third item: Will economic growth free Americans from "limits?"

Do not try to talk limitlessness to the Reagan aides who are aging rapidly as they toil at producing a budget. Their task is to do what Mr. Reagan wants done, within the limits (if you will pardon the words) he has decreed. We must back up in order to take a running jump into this subject. In fiscal 1984, the year of the second Reagan landslide, federal revenues were almost the same share of GNP (18.7 percent) as in 1964 (18.4 percent), the year of the anti-Goldwater landslide. But federal outlays as a percentage of GNP have risen from 19.2 to 23.5. Mr. Reagan says that tax increases will not be part of his deficit-reduction plan.

Do you want to know the plan? Are you sitting down?

For fiscal 1986, Social Security (\$200 billion) and defense (\$284 billion) are to make up more than half the budget. Mr. Mondale forced Mr. Reagan to pledge (actually, to admit) that Social Security is untouchable. And Mr. Reagan wants his defense requests saluted, not touched. Interest payments are not optional, and they are the fastest growing part of the budget. They are \$154 billion. The Social Security, defense, interest total is \$638 billion.

The nice thing about a trillion-dollar budget is that it simplifies calculations: \$638 billion is 63.8 percent of the budget, almost two-thirds.

Mr. Reagan says the deficit, which is 5 percent of GNP, must shrink to 4 percent in fiscal 1986, 3 percent in 1987 and 2 percent in 1988. For that, non-defense and non-Social Security spending cuts must total \$47 billion in fiscal 1986, \$55 billion in 1987 and \$110 billion in 1988. This must come from an initial target area of about \$300 billion, more than one-third of which is Medicare or Medicaid.

This program of savings must be put in place this coming summer. Obviously the lead must come from the Republican-controlled Senate. Next summer 40 percent of the Republican senators (22 of the 53) will already be preparing for their 1986 re-election campaigns and will be in no mood to scorch the earth where social programs stand.

Furthermore, low-income support programs, which received a disproportionate share of the cuts voted in 1981, cannot be cut again. So to achieve the deficit-to-GNP relationship that Mr. Reagan stipulates,

within the limits that he has stipulated, will require a frontal attack on the government's discretionary spending, an attack incomparably more radical than anything attempted or even dreamed of in 1981. The list of programs that must be eliminated—in alphabetical order, starting with agricultural programs, and Amtrak, and running through flood control, student loans and much else—fills many typewritten pages.

Now remember, the "safety net" cuts are done. The programs on the block are middle-class programs—programs that Republicans support.

So suppose Mr. Reagan sends such a list to Congress for execution. If Tip O'Neill is cunning and bitter—and he is both—he will urge Democrats to abstain from voting. The result will be that Republicans swat the budget, like a shuttlecock, 16 blocks back down Pennsylvania Avenue.

If the programmatic consequences of Mr. Reagan's goals and limits are proposed to Congress or, as is more likely, are leaked, there will be a political fire storm. The resulting cauders will have to be sifted through a fine sieve to find even a charred remnant of President Reagan's influence on the budget process.

Washington Post Writers Group.

## Deficit: Responsible Leadership, Please

By Donald C. Platten

NEW YORK—Without policy actions, the U.S. federal budget deficit could rise well past \$260 billion by 1989. That would be nearly 5 percent of GNP. Interest would eat up more than a third of every federal dollar not earmarked for entitlements or other mandated spending.

To put this in historical perspective, the projected interest cost of the federal debt in 1989 will be more than all federal expenditures in 1972. That just is not sustainable.

Such deficits inevitably would force an intensified clash between public and private credit markets. Deficits of 5 to 6 percent of GNP, as are now projected, would absorb a huge share of net private saving. Debt-fueled interest rates would seriously harm export industries and discourage domestic investment. If there is not decisive action, the growing national debt will become a deep, divisive drag on the economy.

The problem with most of the current political rhetoric is that it ignores three fundamental truths:

Not through growth alone: The United States cannot grow its way out of the deficits in an orderly and noninflationary fashion. A substantial portion of future deficits is structural—in other words, mandated spending will outpace revenues in the years ahead, even with noninflationary growth. Structural deficits cannot be cured by economic growth alone.

According to a recent analysis by the Congressional Budget Office, if, beginning in October 1984, economic growth was 1-percent higher than projected by the office, this would reduce the deficit by only \$9 billion in fiscal year 1985 and by \$47 billion in fiscal 1987. These results would not come close to accomplishing the job that is required. Moreover, both the administration and the CBO's current projections already assume relatively vigorous real growth rates.

Significant gains have been made during the welcome, real and strong economic recovery of the past two years. Much progress has been achieved in increasing employment, reducing inflation and strengthening investment. But there have been some significant costs. We find ourselves trapped in the familiar "guns and

butter" pattern and, once again, we are paying for neither.

Americans must recognize that much of our future prosperity rides on how seriously we are willing to take the deficit challenge.

Less spending, more revenue: America cannot reduce the deficit sufficiently by relying on either spending cuts or revenue increases alone. Trying to lower the deficit without a concerted program of spending cuts and revenue increases would seriously disrupt the economy and society. While additional revenue will be needed over the short and long terms, any revenue increases must be linked to tough spending restraints.

Broad support: Bringing down the deficit will take major and sometimes wrenching policy changes. These will be impossible to enact and apply without public understanding and support, and without a truly bipartisan coalition committed to regaining control of our economic destiny.

Political leaders should remember that what they do next year on the deficit will either haunt or help them in their next campaign. They should now realistically assess the actions and compromises that will have to be made in early 1985 to eradicate current and future deficits.

The country is owed responsible leadership from the administration and Congress. Given that, I believe that Americans have the political will to take effective and equitable steps to bring down the deficit and keep the budget under firm control.

The writer, chairman of the executive committee of Chemical Bank, has directed a study of the deficit issue for the Committee for Economic Development, a research group of business figures and university presidents. He contributed this to *The New York Times*.

Elsewhere in your Nov. 17 issue we learn ("Three U.S. Allies Said to Offer Radical Shift in Latin Pact") that U.S. diplomacy is backing efforts to defuse the Contadora peace process by allowing the language of the treaty to overtake continued military "training exercises" in Honduras, which has been turned into an armed camp.

For the Nicaragua people and their historic leaders (as confirmed in the Nov. 4 elections), there can be no real guarantee of peace until the military heat from the United States is

## The West Should Stay In UNESCO

By James Traub

NEW YORK—Until last week, America was alone in its unwillingness to withdraw from UNESCO. Now Britain threatens to do so in a year's time. Since Britain joined the other European Community countries in praising UNESCO's reform efforts only two months ago, one can assume that the London press was on to something in accusing the British government of knocking under to American pressure.

Apparently, Washington was embarrassed to find that no other Western nation found U.S. initiation with UNESCO a sufficient reason for the grave decision to drop out. There was something painfully instructive in U.S. isolation: America alone would follow pique rather than patience and ideology rather than experience. This was reminiscent of the conduct of the radical states that it says have molded UNESCO to their own purposes.

To the far right, UNESCO (and the United Nations generally) gives a nightmare vision of a world in which left-wing totalitarianism threatens the West's future while the democracies, weakened by liberalism, sully protest. In a fund-raising letter the conservative Heritage Foundation, which has provided political justification for the withdrawal decision, said UNESCO had fallen "under the control of Communist and Third World 'diplomats' whose only standard of conduct is raw power."

Yet the fact is that UNESCO functions by consensus. America has approved virtually every UNESCO project that critics now attack. And why shouldn't it approve, since UNESCO spends all but a fraction of its time and money on scientific research, educational training, preservation of cultural monuments and the like?

But UNESCO's foes evidently do not want to improve it; they want to show it the back of their hand. Since Secretary of State George Shultz gave notice last December of U.S. intent to withdraw unless UNESCO tightened its budgetary and administrative practices and became less "politicized," the organization has been sufficiently alarmed to take up reform with a vengeance. Washington's conduct suggests that it stopped paying attention. This apparent disdain for fact is embarrassing.

In October 1983 the United States sent a delegation to UNESCO's general conference equipped, it is widely believed, with instructions to express deep dissatisfaction and intimate a decision to withdraw. The delegation's chairman, Edmund P. Henneley, returned with the unexpected news that the conference had been "among the least politicized and most constructive from the U.S. point of view in recent memory," that anti-Israel and pro-Soviet rhetoric had been almost nonexistent and that UNESCO's much criticized director-general, Amadou Mahtar M'bow, had proved flexible on budgetary and administrative matters. Two weeks later the United States informed UNESCO of its pullout plans.

Since then virtually every American organization that works with UNESCO, including federal agencies, has come to its defense. Scientific bodies and scientists, especially, have rallied to UNESCO's side, arguing that no other agency can duplicate such global studies as the "man and the biosphere" program. Congressional hearings last March turned up little support for withdrawal.

Many believe that UNESCO suffers from serious flaws. A draft study by the U.S. General Accounting Office found that UNESCO is overstaffed, that its budget is poorly planned and that far too much power is concentrated in the director-general's office. Another report, ordered by Mr. M'bow, said that UNESCO's programs overlap and are spread over so many areas that UNESCO's focus is blurred. Mr. M'bow has publicly welcomed these criticisms, and most observers feel that UNESCO has moved seriously to address them.

The days when the West ran UNESCO, the evidence has been over. The radical conservatives in attendance in Washington do not seem to accept this. To them, willingness to debate as equals amounts to defeatism. But does America want to tell the world that it will not play a game it cannot dominate? Are we ready to leave, in a monumental suit, an organization we helped found with the highest ideals in 1946? It would be, if we give it, an ominous message.

Mr. Traub writes on international issues for various publications and is author of "India: The Challenge of Change." He contributed this comment to *The New York Times*.

## LETTERS TO THE EDITOR

### Untwist the Distortions

In the editorial "A Vile Charge on India" (Nov. 5) *The New York Times* awakens to the worldwide Soviet conspiracy. The Russians will take the opportunity of any big news event in advantage to twist it around to their advantage. I hope the Times and other liberal newspapers such as *The Washington Post* will continue to speak out in denouncing these blatant distortions of the facts.

ALBERT J. PRISCO  
Bad Soden, West Germany.

### Leave Nicaragua Alone

Will Ronald Reagan's second term be a period of growing pragmatism and declining influence of the aggressive right? Joseph Kraft does not hesitate to say so in a recent column (Nov. 17). His main example of this cooling-off effect, in the foreign policy area, is Nicaragua. According to Mr. Kraft, the Washington hard-liners on this question are now isolated and embarrassed. The CIA, having

lost most of its funding, has no choice but to wind down its covert and illegal war against the Sandinists.

I am skeptical. The Reagan administration has four more years in which to deal with Central America as roughly as it sees fit. We already know what its deepest wish is: to crush the Sandinists. True, there are many factors weighing against such an adventurous policy, not the least of which is U.S. public opinion. But that is no reason for supporters of Nicaragua's new-found self-determination to let down their guard.

Elsewhere in your Nov. 17 issue we learn ("Three U.S. Allies Said to Offer Radical Shift in Latin Pact") that U.S. diplomacy is backing efforts to defuse the Contadora peace process by allowing the language of the treaty to overtake continued military "training exercises" in Honduras, which has been turned into an armed camp.

For the Nicaragua people and their historic leaders (as confirmed in the Nov. 4 elections), there can be no real guarantee of peace until the military heat from the United States is

off. Only then will they be able to devote themselves fully to the difficult tasks of economic and social development. When will Nicaragua be allowed to live free of intimidation?

JIM COHEN  
Paris.

### Be Unsure About Iran

In response to the report "Six Years After the Storm: Khomeini's Government Appears Firmly in Control" (Nov. 17) by John Kifner:

Information from various sources indicates that despite its endurance the future of Ayatollah Ruhollah Khomeini's government can hardly be a source of comfort to even its strongest protagonists. Hashemi Rafsanjani, the speaker of the Majlis, may be the strongest politician in Iran today, but his future is as unclear to him as it is the future of those engaged in overthrowing him. As for Western diplomats, one can not overestimate their analytical abilities.

MEHRDAD KHONSARI  
London.

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# Assad's Brother Back in Syrian Politics

By David Ottaway  
Washington Post Service

**KUWAIT** — Colonel Rifaat al-Assad, the strong-willed younger brother of President Hafez al-Assad of Syria who was sent abroad in June to live in political exile, has returned to Damascus accompanied by a tumultuous welcome of gunfire from his supporters.

His return on Monday amounts to a political bombshell in Syrian politics and is certain to be interpreted there as a reaffirmation of the Syrian leader's support for his brother as his successor. The race for the presidency began prematurely a year ago when the 56-year-old president fell ill.

The jockeying for position led to a near full-scale military confrontation between Colonel Assad's 20,000-strong Defense Companies and a coalition of army and security forces opposed to him that turned Damascus into a checkerboard of rival armed groups ready to open fire on each other.

After several minor clashes in Damascus and other cities, President Assad finally prevailed upon his brother to leave the country to avoid the incipient power struggle from touching off a civil war.

When he left with his family and 40 bodyguards for Paris and then took up residence in Geneva, his departure was interpreted as marking the apparent end to his political career.

President Assad took advantage of his brother's absence to put some units of the heavily



Rifaat al-Assad

armed Defense Companies under Syrian Army command and restore calm to Damascus and the rest of the country. It is not clear whether this special security force, which brutally crushed an uprising of Moslem fundamentalists

in Hama in the spring of 1981 with huge loss of life, still operates as a separate force.

Only two months ago, Defense Minister Mustafa Tlas of Syria told the West German magazine Der Spiegel that Colonel Assad al-Assad was permanently "persona non grata" in Damascus.

Colonel Assad, 47, apparently timed his return to coincide with the state visit of President François Mitterrand, the first French leader to visit Syria since its independence from France in 1947.

According to radio and other reports, Colonel Assad arrived shortly after the plane carrying Mr. Mitterrand touched down at the Damascus airport on Monday.

Meanwhile, as word filtered out to Damascus residents that Colonel Assad had returned, his supporters began firing their guns in the air to indicate their happiness. Such a display of "fireworks" in the capital reportedly has not been seen since President Assad appeared on television demonstrating he was still alive after a prolonged hospital stay last November and December.

The events leading up to Colonel Assad's return are still wrapped in mystery, but it appears that he and his brother must have been having secret contacts to arrange for his political rehabilitation. Two weeks ago, the official Syrian gazette published a presidential decree stating that Colonel Assad was officially in charge of security matters, a job he should have had anyway by virtue of his official position as vice president for security and military affairs.

The announcement indicated that some agreement had been reached and that only the timing of the return remained to be decided. When Colonel Assad left in June, there were reports circulating in Damascus that he had already then made a deal to leave Syria for a "cooling-off period" in return for which President Assad would support his succession bid. But most subsequent reports seemed to indicate that Colonel Assad had lost favor with the president and would not return.

One report circulating here said that Crown Prince Abdullah of Saudi Arabia had played a role in arranging the return and even persuaded the Syrian president to allow it before the opening of the ruling Ba'ath Arab Socialist Party congress in mid-December.

The Ba'ath party congress is expected to elect a new political bureau, and Colonel Assad would need to be prominent among his new members to consolidate his bid for political power.

## France Summons Australian Envoy On Nouméa Issue

Agence France-Presse

**PARIS** — The French Ministry of External Affairs called in the Australian ambassador in Paris on Wednesday after Foreign Minister Bill Hayden of Australia criticized the way France was handling current unrest in its South Pacific territory of New Caledonia.

The Australian envoy, Peter C.J. Curtis, was summoned to meet Michel Combal, head of the Asia section of the External Affairs Ministry, a ministry spokesman said.

Mr. Hayden said in Canberra earlier in the day that New Caledonia was "one of the last vestiges of colonialism in the South Pacific."

He said that Australia was disturbed that France held territorial elections on Nov. 18 amid friction between pro- and anti-independence forces and a boycott by the pro-independence Kanak Socialist National Liberation Front, which represents indigenous Melanesians.

On Wednesday, the Australian Foreign Affairs Department warned Australians visiting New Caledonia to avoid travel outside Nouméa, the capital.



One of the roadblocks erected by militants of the pro-independence Kanak Socialist National Liberation Front that have paralyzed traffic in some parts of New Caledonia.

## Computer Said to Crack French Secrets

Agence France-Presse

**PARIS** — A half-million "Minitel" computers that the French telephone company is issuing to homes and offices can be used to tap atomic energy secrets in a French government data bank, the satirical weekly newspaper Le Canard Enchaîné reported Tuesday.

The "Minitel," which is available on a limited basis currently and will become available to all subscribers within the next two years, will replace directories by providing telephone numbers and eventually a variety of information to homes and businesses, such as food and stock prices.

Le Canard said that a computer expert, using an office "Minitel," had obtained secrets from the Atomic Energy Commissariat "without much effort." It said the data in-

cluded top secret information about France's nuclear tests in the Pacific, the storing of nuclear waste, nuclear safety plans and details of a project to build a new reactor.

The newspaper said that in this case it was the plot of the American film "WarGames" come true. In the film, a child computer genius "tapped" Pentagon computers and nearly started World War III.

A spokesman for the Atomic Energy Commissariat said that the data bank did not store nuclear secrets but only medium-level information.

Gerard Drean, deputy director-general of the data bank outside Paris, said: "We plan to increase our data bank security. In many cases, our clients do not use all the safety measures put at their disposal."

## Andorra Stuck in Past, Split on Uncertain Future

### Pyrenees State Worries About Stagnant Economy, Outmoded Politics

By Brian Mooney

**ANDORRA LA VELLA**, Andorra — After more than seven centuries of peace and prosperity, Andorrans are divided and uncertain over the future of their tiny mountain state.

The prospect of Spain's entry into the European Community, a stagnant economy, and a political and social structure more attuned to the Middle Ages than the 20th century are making change imperative in Andorra. The problem is that citizens of this co-principality, nestled in the valleys of the eastern Pyrenees between France and Spain cannot agree on what changes.

The resignations of two government ministers in October, less than six months after Prime Minister Oscar Ribes Reig was forced out of office over plans to raise taxes, dramatized the divisions in the country of 41,627 people.

Miguel Angel Canturi, the former finance minister, and Ramon Pla, who was in charge of commerce, industry and agriculture, both resigned because they were unable to push through reforms. "We ran into a wall of conservatism," Mr. Pla said.

Mr. Pla, an engineer in charge of state telecommunications, and Mr. Canturi, a lawyer, belong to a group of young professionals who say that Andorra must change radically if it is to survive as an independent state.

They want the country to break from its almost total dependence on duty-free commerce. That has been the basis of the postwar boom that turned the capital city into a sprawling shopping precinct stacked with cheap drink, food and electronic goods.

The duty-free shops that attract millions of foreign visitors a year will lose a lot of their appeal when Spain enters the European Community. Smuggling will be harder and similar cheap wares also will be on sale across the border.

Officials say the economy has shown virtually no signs of growth in three years. To steer it away from duty-free trade, the government needs money and investments.

This is the crunch. Mr. Ribes Reig's proposal to levy a mild form of indirect tax on bank deposits, hotel rooms and property sales was turned down in horror by an establishment that believed that Andorra's status as a tax haven was being threatened. Mr. Ribes Reig subse-

quently lost the confidence of the General Council of the Valleys, the Andorran parliament.

A proposed law to relax restrictions on foreign investment would have broadened the country's industrial base. It was blocked in a parliamentary committee amid warnings that if it were approved Andorra would be gobbled up by multinational companies.

Mr. Pla said that out of the 1984 government budget of five billion Spanish pesetas (\$29 million), only two billion pesetas would be available for investment.

Mr. Canturi and Mr. Pla said that Andorra was backward in many areas. They said that Andorra's holding jail was a disgraceful dungeon, there was little modern labor legislation and no fiscal justice, a much-needed road tunnel to France was not being built and sewage disposal remained primitive.

Moreover, trade unions and political parties are banned. "The most basic ideas of the French revolution have not yet been accepted in Andorra," Mr. Canturi said.

Andorra, he said, should sacrifice its duty-free bonanza and seek

a more secure future in the 10-nation EC.

The 25 deputies elected to the General Council of the Valleys tend to be elder citizens of rural stock. Mr. Pla and Mr. Canturi are the only members with university degrees. The elders did well during the commercial boom and see no reason to change things.

Conservatives prefer to talk about further advances in self-government, which took a leap forward in 1981 with the first direct parliamentary elections.

They talk of the need for the country to assume more responsibility for its own affairs from the two co-princes, the bishop of the Spanish city of Urgel and the president of France, whose joint rule dates back to a treaty of 1278.

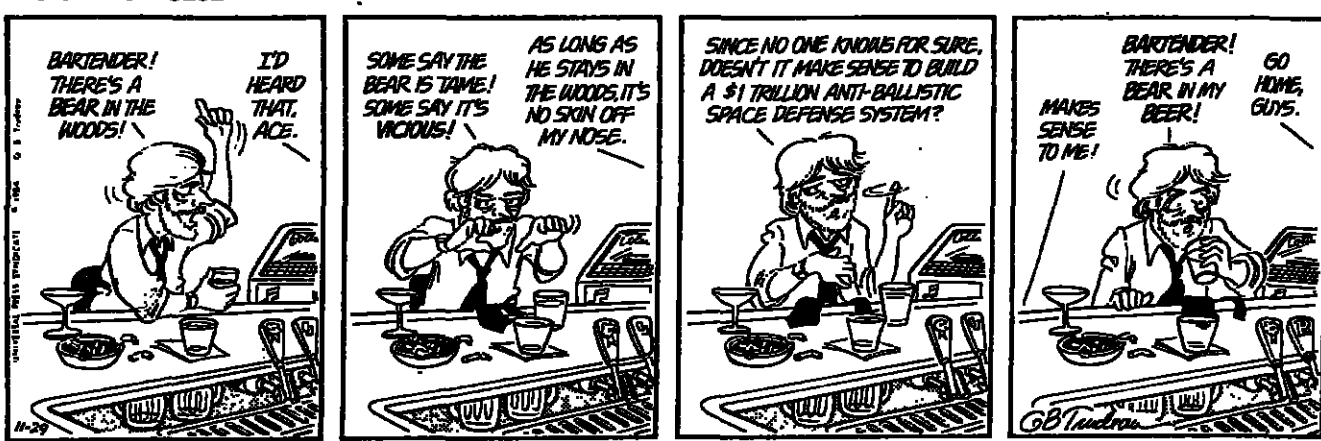
The princes are responsible for foreign affairs, justice and public order.

### Mitterrand, Thatcher to Meet

Reuters

**PARIS** — President François Mitterrand and Prime Minister Margaret Thatcher are to meet here Thursday for the ninth annual French-British summit conference.

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## SCIENCE

## Bizarre Behavior of Subatomic Particles Puzzles Physicists

By Walter Sullivan  
New York Times Service

FOR generations physicists have been trying in vain to understand the processes that govern the behavior of atoms and molecules. The rules governing their behavior, known as quantum mechanics, have seemed to defy rational explanation. The effects are often bizarre.

For instance, measurements of processes on the atomic level appear to involve instantaneous communication, with widely separated particles such as electrons behaving in concert as if telling each other what to do.

That would violate one of the basic tenets of physics: that no signal can travel faster than the speed of light. As noted by the French theorist Bernard d'Espagnat, signals outracing light would lead to "bizarre paradoxes of causality in which observers in some frames of reference find that one event is 'caused' by another that has not yet happened."

Now a group at the Applied Physics Laboratory of Johns Hopkins University in Baltimore is again trying to show that there must be something awry about recent experiments supporting a form of instantaneous communication.

Their experiment is the latest in a

long series of "thought" and physical tests that began more than half a century ago, when the implications of quantum mechanics were defined by Paul A. M. Dirac and others. Dr. Dirac, ranked by many physicists with Albert Einstein, died in Florida last month.

The experiments have focused on atomic processes that eject particles or light waves in opposite directions. There is evidence that, until measured, those particles have no definite properties. Yet the moment a measurement is made, they match one another in a manner difficult to explain unless there has been communication between them.

The most recent experiments, conducted in France before the one starting at Johns Hopkins, seem to have shown that such communication is essentially instantaneous.

Quantum mechanics has become the primary tool of today's scientists because of its great success in predicting the interactions of atoms, molecules, elementary particles and radiation. Yet it has not explained why those interactions occur. The problem is not as remote as it may seem. Quantum mechanics plays a role in virtually all the chemical and physical reactions that control our lives and the world around us.

Yet in many ways it perplexes

those seeking to understand it. For example, it indicates that properties usually attributed to matter have no real existence until measured. The most famous example is trying to measure the position of an electron.

As noted by Dr. d'Espagnat in an article on quantum mechanics in Scientific American, tests show that the electron has no position until recorded. It appears "smeared out over a large region of space." Yet, when detected, it instantaneously takes on the properties of a particle with a precise location.

Likewise the twin ejected particles that simultaneously acquire a certain property, even when widely separated, seem to gain that property only when measured. It appears that features of the atomic world become real only when we look at them.

Behavior at the subatomic level suggesting instant communication has been seized upon by a few physicists to explain extrasensory perception and other claims of paranormal behavior. It is a baffling field. As Richard P. Feynman, the Nobel laureate physicist, has put it, "No one understands quantum mechanics." Its effects "are impossible, absolutely impossible" to explain based on human experience.

Quantum theory is frustrating

for physicists who are accustomed to dealing with cause and effect. When they look at atomic behavior, however, the best they can do is make predictions based on probabilities. They know that a neutron, on the average, will decay radioactively in about 1,000 seconds. But they cannot predict just when that will happen.

Furthermore, it is now believed, there is nothing inside that neutron that determines the timing. It only determines the probability. There is none of the cause-and-effect determinism that rules large-scale behavior.

Such indeterminism was never accepted by Einstein. Although he recognized the evidence for its validity, he said of quantum mechanics: "An inner voice tells me it is not yet the real thing." He did not believe, as he put it, that God plays at dice.

In 1935 Einstein and two young collaborators, Boris Podolsky and Nathan Rosen, proposed that the apparently instantaneous communication between widely separated particles is caused by some as yet undiscovered factors, referred to as "hidden variables." In the case of

coordinated behavior between two particles, this could be explained if an identical message was carried by each of them since ejection from their parent particle, telling them how to behave when observed. It could also be explained if one particle, when observed, sent a signal to the other with such instructions.

So far, most tests of this hypothesis have involved the ejection of two photons, or light waves, in opposite directions from an atom primed by energy injection, as from a laser. When the photons are observed, both are always polarized, or oscillating, in the same manner.

That perfect, subatomic dance is found despite the fact that physicists believe the photons are not synchronized until the very moment they are examined. Until then, like the smeared-out electron, they are believed to be in an uncertain state, wavering between alternate forms of polarization.

Only when measured does the polarization become real. Which form will be recorded is completely indeterminate. Yet when the polarizations of both photons are recorded, they are always correlated, apparently no matter how far apart

they may be. The photons seem to tell one another what state they are in at the moment of detection.

The tests so far, deriving from proposals made in 1964 by John S. Bell of CERN, the European nuclear research center near Geneva, have convinced theorists that, in such experiments, behavior of the twin particles has not been preprogrammed. The idea that there is some kind of normal communication between them is widely thought to have been ruled out in experiments conducted by Alain Aspect, Jean Dalibard and Gérard Roger at the Institute of Theoretical and Applied Optics in Orsay, near Paris.

Their experiments have focused on pairs of photons emitted by energized calcium atoms. To prevent passage of a return signal at the critical moment of the experiment they have used a switching system that blocks the route every 10-billionths of a second.

At the Applied Physics Laboratory of Johns Hopkins University, James D. Franson and Kenneth A. Potocnik still believe the French experiments have not ruled out some limit on the distance scale across which quantum effects occur. They are testing the dimensions of a photon's wavelike effects. They believe they are already seeing "a significant decrease in the visibility of these effects," in apparent disagreement with the predictions of the quantum theory.

The preponderance of opinion, at the moment, seems to be on the side of that theory in all its multiple manifestations. According to Dr. Fritz Rohrlich, professor of theoretical physics at Syracuse University, the question is whether, on the scale of atoms, the world is controlled only by probabilities. Or, he asked rhetorically in the journal Science, is there something deterministic "hidden underneath" the observed phenomena, of which quantum dynamics "is some sort of average?"

The rules of physics may block any measurement of such an underlying effect, if one existed. The current thinking is that any attempt to measure it would so alter the situation that the effect would vanish.

## Algae That Can 'See'

By Boyce Rensberger  
Washington Post Service

WASHINGTON — Algae have

eyes. Not exactly the way human beings have eyes, but, as a team of scientists discovered, there is a common one-celled alga with a visual system that works much like the human eye's retina to convert light into electrical signals that govern the organism's behavior.

It had long been known that the alga, a pond-dwelling species called *Chlamydomonas*, has a light-sensitive "eyespot." The new discovery is that the eyespot uses the same light-sensitive chemical — a visual pigment called rhodopsin — that is in the retinas of the eyes of animals, including humans.

Although it is a green plant, *Chlamydomonas* has three threadlike flagella that lash about to pull it through the water much like a human swimmer doing the breaststroke. The organism senses the amount of light coming through the water and steers itself up or down to find the optimal level of light needed for photosynthesis, the solar-powered process that all green plants use to manufacture sugar.

Because algae are among the earliest forms of life to appear on Earth, the discovery suggests that rhodopsin was "invented" quite early in the process of evolution. The eyes of higher organisms simply are more versatile ways of mak-

ing use of rhodopsin's remarkable ability to produce an electrical signal when struck by light.

The discovery was made by Kenneth W. Foster, now at Syracuse University, and a team of six others at Columbia University and the City University of New York.

Dr. Foster established the existence of rhodopsin in the alga by doing experiments with a special strain of blind *Chlamydomonas*.

Dr. Foster had reason to believe that the algae were blind because a mutation rendered them unable to manufacture an essential component of the rhodopsin molecule, called retinal. This is the same substance, derived from vitamin A, whose absence in the diet can cause blindness in human beings. When retinal was added to the water, the algae quickly acquired the ability to swim to optimal light levels.

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## Quantum Mechanics Demonstration

To illustrate the "amused out" nature of an electron, before being measured, Richard P. Feynman described three experiments.

In one machine gun sprays bullets onto a wall of armor plate with two holes. Those that penetrate produce two clusters of scars in the wall beyond. The probability that a bullet will strike any point on the wall forms the pattern illustrated graphically to the right.

Another experiment: Water waves strike a wall with two apertures. Part of each wave penetrates the wall, forming twin waves that meet at a beach beyond. In some sectors of the beach, wave crests arrive together, forming a wave of maximum intensity. Where crests meet troughs, the waves cancel one another. The resulting wave intensity, if measured, would form a characteristic pattern shown to the right.

In the final test an electron gun sprays electrons at a wall with two holes. The probability that an electron will strike any point on the wall beyond is not as simple as that of the bullets. Instead it forms the pattern produced by water waves. It is as though each electron went through both holes. Yet, when measured, the electrons appear at specific locations and thus resemble particles.

The New York Times

## 'Arctic Haze' Effect Studied

Los Angeles Times Service

BARROW, Alaska — The phenomenon known as "arctic haze," a streak of orange-brown industrial pollution in this barren and unsettled place where there is no industry, arrives each October like clockwork.

The haze, recorded nowhere else on earth, almost certainly has its primary origins in the Soviet Union, but its consequences are far less certain. Some researchers fear that it could help to unlock global climatic change.

"It's black, it's in many layers and it absorbs energy" from the

sun, said Russell Schnell, a research scientist with the University of Colorado in Boulder, Colorado, and project director of an international arctic haze study effort. "There is concern that it absorbs so much energy it will unbalance the arctic."

Others are less convinced of such an epochal event, but still find the discovery and study of arctic haze significant. The impact of arctic haze on the polar region may provide insight into "the nuclear winter," the cold and dark caused by airborne, sun-blocking soot from the huge firestorms that many scientists believe would follow a nuclear war.

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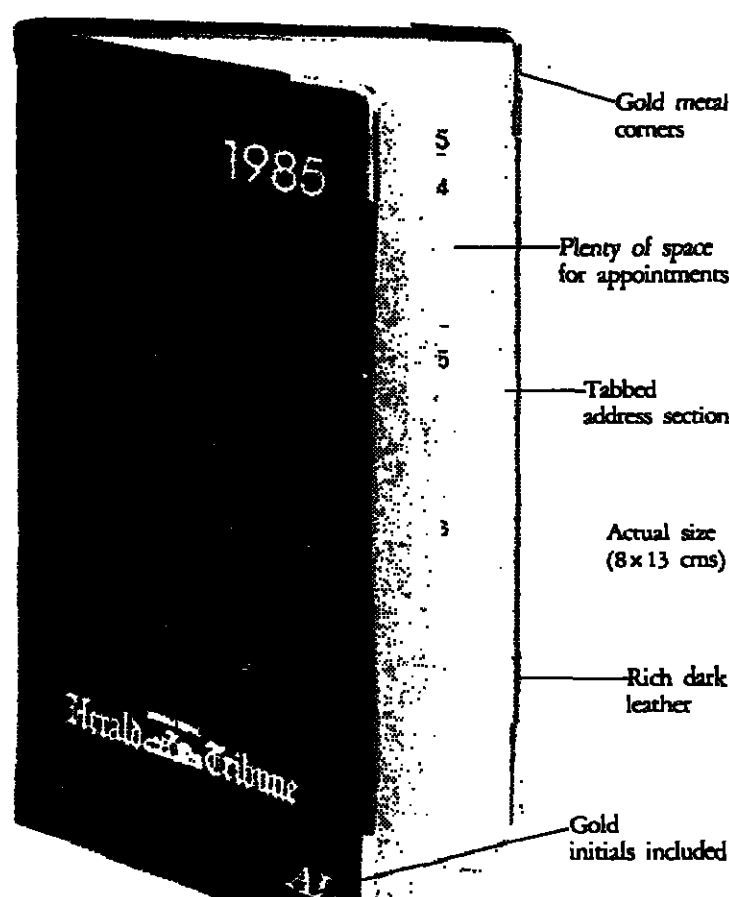
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THURSDAY, NOVEMBER 29, 1984

## WALL STREET WATCH

Selected High-Tech Issues  
A Good Bet, Analysts Say

By EDWARD ROHRBACH

International Herald Tribune

SAN FRANCISCO — It used to be that stock analysts and investors in the high-technology companies that abound in the Silicon Valley and elsewhere in the San Francisco area never met a stock they didn't like. But a year-and-a-half ago the magic began to fade and now you don't invite high-tech and Wall Street to the same party anymore.

"It's bizarre to look at the charts and see how many of these stocks peaked in the \$30 to \$40 range in June of 1983, then plunged to about \$5 a share before finally bottoming out at something like an 85 percent loss," observed Frank Husic, president of Alliance Technology Fund.

The time is right  
for investors to  
get back into  
high technology.

Alliance, based in San Francisco, was the hottest performer of any mutual fund in the bull market that exploded from Aug. 12, 1982, through June 16, 1983. It soared 213 percent. Since then, the \$140-million fund (down from \$180-million at the peak) has fallen off 30 percent.

Nevertheless, Mr. Husic thinks the time is right for investors to get back into high-technology stocks, with the proviso that it "depends on which group." For stocks still "alive" and prepared to "accept leadership," he believes there's a "real chance of making your money back" without much risk of further price deterioration.

"But nobody believes you that it's the bottom," he said. "Though the fact people have such little faith now is exactly what bottoms are all about."

"Since hitting their peak it's been a real sorting out, the wheat from the chaff," he added. "This process has gone a long way."

MR. HUSIC reminded that investors have heard several times before that high-tech stocks were poised to rebound, contended that what is different now is Federal Reserve policy. "There's been the lowering of the discount rate and bonds have rallied as the Fed's been lately creating a loose and liquid environment. That's going to help the overall market and high-beta technology stocks will outperform the street."

Emphasizing that a resurgence by the group will be selective, Mr. Husic began by naming the groups he likes the least. At the top of the list are microcomputers, the victims of a "profitless prosperity," he said, where "a lot of PC units are being sold but nobody's making any money."

Neither does he favor investment in suppliers to these companies, namely the disk drive makers and those in the controller business. However, it's probably "too late to sell" these stocks and he advises investors to "play the bounce" before dumping them.

Semiconductor stocks and related issues, which have been under heavy selling pressure the past month, should also be avoided, he warned. "The numbers are going down; there's a lot of fear out there." Yet he thinks earnings estimates are being shaved too much and forecasts that the stocks will probably be a buy "sometime the first half of 1985."

On the positive side, his favorite group is the one that includes computer-aided design and manufacturing systems, along with those in computer-aided engineering. What he likes about these companies is how quick a payoff customers get from their products, which keeps up the demand and pricing.

Aerospace, "driven by the certainty of earnings from defense spending," is next on Alliance's buy list, with the largest companies favored. Next-best-like are software vendors, where "earnings have stayed intact and companies they are serving are starting to turn around." He mentioned the insurance field but did not want to be specific about the stocks because, as with other selections, the fund is still buying them.

Voice-data communications is another attractive field, Mr. Husic said, with earnings estimates for the group starting to go up after several slow quarters. He said Alliance is also starting to look at the medical-technology area, especially companies that had "temporary problems but are regrouping."

Bullish sentiment towards high technology is also back at San Francisco's highly regarded Rosenberg Capital Management. (Continued on Page 12, Col. 1)

Telecom  
Shares  
Sold OutHeavy Demand  
By U.K. Buyers

Lynne Curry

International Herald Tribune

LONDON — A last-minute rush to buy stock in British Telecommunications PLC has made the sale of the state-owned company's shares in Britain an overwhelming success, according to the company overseeing the project.

The deadline for applications to buy some of the shares valued at £3.92 billion (\$4.76 billion) was Wednesday. Kleinwort Benson Ltd., the underwriters for the issue, said the sale was heavily oversubscribed.

It was estimated that more than two million people responded to the government's heavily funded publicity campaign and applied to buy shares at 130 pence apiece.

"It was fairly healthily oversubscribed," said Bill Coleman, an analyst at James Capel & Co. "Every institution was chasing BT's stock."

Kleinwort is expected to announce the number of applicants and the basis for share allocation over the weekend. A spokesman said allotment details will clarify how many shares each investor can expect to receive.

The sale of 50.2 percent of the telephone company is the biggest equity issue in history. It is a major part of the government's program of selling state-owned companies to the private sector.

Demand for BT shares has been strong worldwide. Analysts said institutions overseas as well as in Britain have been unable to get as many shares as they want.

Of the 3.01 billion shares for sale, nearly 14 percent has been earmarked for the United States, Japan, and Canada. About 39 percent is to be divided between the public and BT employees, while the remaining 47 percent has been placed with institutions both in Britain and abroad.

Because of the demand for shares, analysts expect trading in BT stock to be at least 15 to 20 pence higher than its sale price of 130 pence a share. Trading is expected to start on Dec. 3.

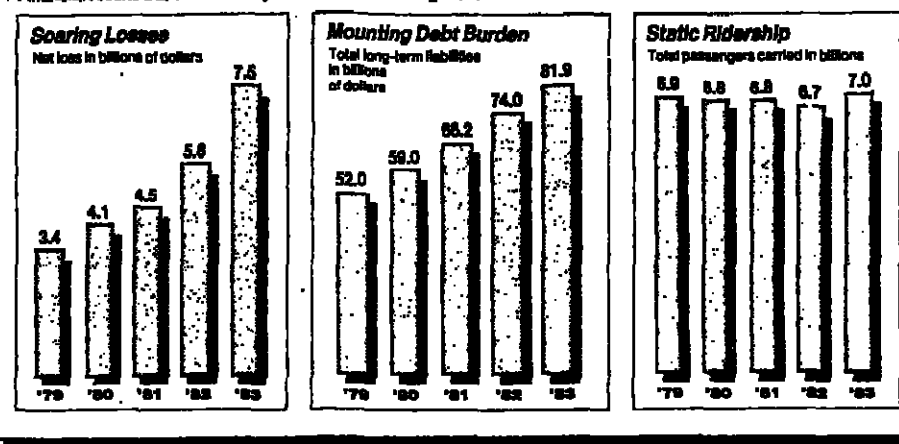
Analysts said that a "gray market" in BT stock — the buying and selling of shares prior to next Monday's official start in trading — has developed, analysts said. Prices on that unofficial market are selling at a 20-pence premium.

Mr. Coleman said the timing of the sale "couldn't have been better." The stock market is at an all-time high and institutions have plentiful resources for investment, he said.

He also pointed out that BT looked very attractive to many investors. The dividend yield is expected to be about 7.1 percent compared with an average of 4.5 percent for most British companies.

## Troubles for the Japan National Railways

Financial results translated from yen at current exchange rate

Fiscal Problems Threaten to Derail  
Japan's Highly Prized Train System

By Susan Chira

New York Times Service

TOKYO — Japan's rail system, long a symbol of efficiency and technological progress, has become a target of local and persistent accusations about financial mismanagement, labor strife and public-sector featherbedding.

The rail system, to be sure, still provides exemplary service. The trains are clean; the doors work. Technologically, they are state of the art. They are always on time. They carry several billion passengers a year, to almost every corner of the country.

But the company that keeps them going, Japan National Railways, has accumulated a debt so large that every day of operation plunges it a further \$25 million into the red.

JNR's financial quandary is so severe that it has stirred a national debate about the company's future. Government and private groups have studied it. Critics have called for its dissolution. Labor leaders have threatened strikes. The public is puzzled and angry.

Company officials, private business people and labor leaders agree on the causes of the problem: political interference, entrenched bureaucracy, the decline of railroad traffic, ambitious construction projects, poor labor-management relations and legal restrictions that prevent the railroad from receiving tax breaks or diversifying into other businesses.

But they differ on solutions — whether to break up the company and sell off its unprofitable lines,

whether large layoffs are necessary, whether to change the fare structure and whether to allow the company to diversify into other businesses.

The system's difficulties raise some of the same sensitive issues as the plight of public transportation in many other cities. How should the desire to provide public transportation be balanced against fiscal accountability? How should laid-off workers be provided for in a society that seemed to promise them job security?

The history of the railroad suggests, as well, how the highly touted Japanese principles of labor harmony, worker dedication, long-term planning and lifetime employment break down here, just as they do elsewhere.

In 1983, the operating loss of the railway was equivalent to \$7.5 billion — 26 percent wider than the previous year. Its operating revenue was \$13.8 billion, relatively unchanged from the previous year. And its expenses of \$21.3 billion, which include soaring pension costs and interest payments, rose 8 percent.

Interest payments on the \$83 billion debt were \$5.4 billion last year, nearly half the system's operating revenue.

The railroad company's debt has been accumulating for years, but only recently has its size stirred public outcry. Last year, about \$299 million of the deficit was paid by the government, from public pension funds and postal savings accounts commonly used here to finance government projects.

(Continued on Page 12, Col. 4)

EC Declares It  
Will Retaliate on  
U.S. Steel Ban

By Paul Lewis

New York Times Service

PARIS — The European Community said Wednesday that it will retaliate against President Ronald Reagan's decision to ban imports of European steel pipe for the rest of this year, denouncing the U.S. move as protectionist and discriminatory.

The EC countries abrogated the accord under which they originally agreed to restrict themselves to 5.9 percent of the U.S. steel pipe and tube market this year. They plan now to seek compensation through the General Agreement on Tariffs and Trade for the loss of trade by cutting back imports of U.S. goods.

[Etienne Davignon, the EC industry commissioner, said Wednesday in Brussels that a list of possible targets for EC retaliation was being drawn up and would be submitted to the trading bloc's governing Council of Ministers soon, the Associated Press reported.]

[That move was followed by release of a statement in Bonn from the West German Economics Minister's office saying West Germany "is ready to negotiate, but considers countermeasures by the European Community unavoidable if there is no satisfactory result."]

The EC was reacting to the administration's rejection of an arrangement worked out between European and U.S. trade negotiators on Nov. 17 under which European pipe and tube producers were to limit themselves to 7.6 percent of the market.

This figure was accepted by both sides as a compromise between the original 5.9 percent figure and the much greater share of the U.S. market that European producers had taken as a result of the strong dollar and a spate of new pipeline projects.

Some experts say that share had climbed to about 17 percent. However, diplomats say that U.S. steel producers persuaded the administration to reject the European offer in part because they calculated that European producers were likely to end up with closer to an 11-percent market share, after allowing for various exceptions and special clauses in the draft agreement, rather than 7.6 percent.

The U.S. Trade Representative's office is to present possible new global steps to limit U.S. imports of steel pipe and tube to the Reagan administration by mid-December.

When the U.S. restricted imports of EC specialty steel, the EC last March put new restrictions on imports of U.S. sportswear and chemicals.

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## Currency Rates

Late interbank rates on Nov. 28, excluding fees.  
Official fixings for Amsterdam, Brussels, Frankfurt, Milan, Paris, New York rates at 2 P.M. EDT.

	\$	£	D.M.	F.F.	Y.	S.F.	Y.
Amsterdam	3.475	4.16	17.28	36.93	11.81	5.405	127.29
Brussels	3.475	4.16	17.28	36.93	11.81	5.405	127.29
Frankfurt	3.475	4.16	17.28	36.93	11.81	5.405	127.29
London	1.1995	—	—	—	—	—	—
Milan	1.9120	—	—	—	—	—	—
New York	1.0000	—	—	—	—	—	—
Paris	6.481	11.29	36.93	—	—	—	—
Tokyo	245.25	—	—	—	—	—	—
Zurich	2.209	—	—	—	—	—	—
1 ECU	0.746	—	—	—	—	—	—
1 SDR	0.9437	—	—	—	—	—	—

Source: 1.1800 Irish £.  
(a) Commercial bank; (b) Amounts needed to buy one pound; (c) Amounts needed to buy one dollar.  
N.A.: not quoted; N.A.: not available.

## Interest Rates

Eurocurrency Deposits Nov. 28

	Dollar	D-Mark	Swiss Franc	Yen	French Franc	ECU	SDR
1M	8 1/8 - 9 1/8	5 1/2 - 5 3/4	4 1/2 - 4 3/4	9 1/4 - 9 3/4	10 1/4 - 10 3/4	9 1/4 - 9 3/4	8 1/2 - 8 3/4
3M	8 1/4 - 9 1/4	5 1/4 - 5 3/4	4 1/4 - 4 3/4	9 1/4 - 9 3/4	10 1/4 - 10 3/4	9 1/4 - 9 3/4	8 1/2 - 8 3/4
6M	8 1/4 - 9 1/4	5 1/4 - 5 3/4	4 1/4 - 4 3/4	9 1/4 - 9 3/4	10 1/4 - 10 3/4	9 1/4 - 9 3/4	8 1/2 - 8 3/4
1Y	8 1/4 - 9 1/4	5 1/4 - 5 3/4	4 1/4 - 4 3/4	9 1/4 - 9 3/4	10 1/4 - 10 3/4	9 1/4 - 9 3/4	8 1/2 - 8 3/4

Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Asian Dollar Rates Nov. 28

	1 mo.	3 mos.	6 mos.	1 year
1 mo.	8 1/8 - 9 1/8	5 1/2 - 5 3/4	4 1/2 - 4 3/4	9 1/4 - 9 3/4

Key Money Rates

United States

Discount Rate 8 1/2 %

Federal Funds 11 1/4 %

Prime Rate 11 1/4 %

Breaker Loan Rate 9 1/4 %

Comm. Paper, 30-120 days 8 1/4 %

3-month Treasury Bills 8 1/4 %

6-month Treasury Bills 8 1/4 %

CD's 30-90 days 8 1/4 %

CD's 60-90 days 8 1/4 %

West Germany

Lombard Rate 5.50 %

Overnight Rate 5.50 %

One Month Interbank 5.50 %

3-month Interbank 5.50 %

6-month Interbank 5.50 %

France

Intervention Rate 10 1/4 %

Call Money 11 1/4 %

One-month Interbank 10 1/4 %

3-month Interbank 10 1/4 %

6-month Interbank 10 1/4 %

Sources: Commercial, Credit Lyonnais, Lloyds Bank, Bank of Tokyo.

Japanese-Chinese Group Pays  
Top Price for Hong Kong Site

By Dinah Lee

International Herald Tribune

HONG KONG — In the first public land auction since China and Britain initiated an agreement in September setting out the future of Hong Kong, buyers on Wednesday paid a top price for a prime commercial site.

The price was more than 50 percent higher than had been expected and fueled hopes of a recovery in the local property market after a nearly three-year slump.

In hotly contested bidding with local entrepreneurs, a consortium of Japanese and Communist Chinese interests called Quincolex Co. won by agreeing to pay 190 million Hong Kong dollars (\$24.4 million) for a 2.850 square-meter (3,410 square-yard) site. The bid was about 75 million dollars higher than had been generally predicted.

The consortium's partners are Kumigai Gumi (HK) Ltd., part of the Kumigai Group based in Japan, and Shun Yip (Shenzhen) Trading Co.

Kumigai Gumi's general manager, Joseph Sze, said Quincolex hoped to build a hotel as soon as possible on the site, which is in a newly developed office and hotel district called Tsimtsui East.

Li Ka-shing, Hong Kong's leading property magnate and chairman and managing director of Chung Kong Holdings, and a textile group, Golden Emblem Invest-

ment Co., also entered the bidding.

Tsimtsui East is near the textile and garment factories on the Kowloon side of Hong Kong's harbor. It has been the least part of Hong Kong's commercial areas by the stagnant market.

A recent survey conducted by Richard Ellis, a property consultant and appraisal concern, showed that growth in manufacturing and exports, particularly textiles and garments, has resulted in the sale and leasing of more than a million square feet of commercial and industrial space in Tsimtsui East in the past year.

During that period, sales and leases in the Central, Causeway Bay, and Wanchai districts were slow or even dropping.

According to the Hong Kong Hotel Association, Hong Kong has immediate need for 3,000 more hotel rooms. Currently, Hong Kong has 18,000 hotel rooms.

Gold Options (prices in \$/oz.)

Nov. 28

Dec. 1

Jan. 1

Feb. 1

Mar. 1

Apr. 1

May 1

Jun. 1

Jul. 1

Aug. 1

Sep. 1

Oct. 1

Nov. 1

Dec. 1

Jan. 1

Feb. 1

Mar. 1

Apr. 1

May 1

Jun. 1

Jul. 1

Aug. 1

Sep. 1

Oct. 1

Nov. 1

Dec. 1

Weekly net asset value

Tokyo Pacific Holdings N.V.

on November 26, 1984: U.S. \$138.93.

Listed on the Amsterdam Stock Exchange

Information: Pierson, Hidding &amp; Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

Gold Prices



NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
1,234,567	123.45	122.34	123.01	+0.67	IBM
987,654	45.67	45.12	45.45	+0.33	AT&T
876,543	23.45	23.12	23.34	+0.22	GE
765,432	15.67	15.45	15.56	+0.11	Merck
654,321	10.12	10.01	10.08	+0.07	Johnson & Johnson
543,210	8.90	8.78	8.85	+0.07	Amgen
432,109	7.65	7.54	7.61	+0.06	Boeing
321,098	6.43	6.32	6.39	+0.06	McDonald's
210,987	5.21	5.10	5.17	+0.06	Wendy's
109,876	4.09	4.00	4.06	+0.06	7-Eleven

Dow Jones Averages					
Open	High	Low	Last	Chg.	
1,234.56	1,245.67	1,223.45	1,238.90	+15.34	Indust.
765.43	776.54	754.32	768.90	+13.47	Transp.
432.10	443.21	421.09	435.67	+13.57	Utilities
210.98	221.09	209.87	215.43	+4.55	Comp.

NYSE Index					
High	Previous	Low	Today	Chg.	
1,234.56	1,234.56	1,234.56	1,234.56	0.00	NYSE
765.43	765.43	765.43	765.43	0.00	Transp.
432.10	432.10	432.10	432.10	0.00	Utilities
210.98	210.98	210.98	210.98	0.00	Comp.

NYSE Closing					
Vol.	High	Low	Last	Chg.	
1,234,567	123.45	122.34	123.01	+0.67	IBM
987,654	45.67	45.12	45.45	+0.33	AT&T
876,543	23.45	23.12	23.34	+0.22	GE
765,432	15.67	15.45	15.56	+0.11	Merck
654,321	10.12	10.01	10.08	+0.07	Johnson & Johnson
543,210	8.90	8.78	8.85	+0.07	Amgen
432,109	7.65	7.54	7.61	+0.06	Boeing
321,098	6.43	6.32	6.39	+0.06	McDonald's
210,987	5.21	5.10	5.17	+0.06	Wendy's
109,876	4.09	4.00	4.06	+0.06	7-Eleven

AMEX Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	AMEX
123	45	67	89	101	Transp.
123	45	67	89	101	Utilities
123	45	67	89	101	Comp.

NASDAQ Index					
Week	Year	52 Wk	High	Low	
123.45	234.56	345.67	456.78	567.89	NASDAQ
123.45	234.56	345.67	456.78	567.89	Transp.
123.45	234.56	345.67	456.78	567.89	Utilities
123.45	234.56	345.67	456.78	567.89	Comp.

AMEX Most Active					
Vol.	High	Low	Last	Chg.	
1,234,567	123.45	122.34	123.01	+0.67	IBM
987,654	45.67	45.12	45.45	+0.33	AT&T
876,543	23.45	23.12	23.34	+0.22	GE
765,432	15.67	15.45	15.56	+0.11	Merck
654,321	10.12	10.01	10.08	+0.07	Johnson & Johnson
543,210	8.90	8.78	8.85	+0.07	Amgen
432,109	7.65	7.54	7.61	+0.06	Boeing
321,098	6.43	6.32	6.39	+0.06	McDonald's
210,987	5.21	5.10	5.17	+0.06	Wendy's
109,876	4.09	4.00	4.06	+0.06	7-Eleven

NYSE Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	NYSE
123	45	67	89	101	Transp.
123	45	67	89	101	Utilities
123	45	67	89	101	Comp.

## Investors Keeping on Sidelines

**United Press International**  
**NEW YORK** — Prices on the New York Stock Exchange dropped sharply late Wednesday, with concerns about the economy and taxes keeping many investors on the sidelines.

The Dow Jones industrial average, which gained 7.84 Tuesday, was down 11.26 to 1,208.92 an hour before the end of trading.

Declines led advances 848-616 among the 1,957 issues traded.

The five-hour volume amounted to about 71.6 million shares, compared with 77.9 million in the equivalent period Tuesday.

Although prices in tables on these pages are from the 4 P.M. close in New York, for time reasons this article is based on the market at 3 P.M.

Analysts said investors were cautious because changes proposed in personal and business taxes face modification by the Reagan administration and in Congress. The changes proposed by the Treasury are far-reaching and complex.

Marvin Katz of Sanford C. Bernstein Co. said said investors appeared to be waiting for further cuts in interest rates, at which time he said a year-end rally might take place.

He said for the moment people appeared fully invested and were waiting for a clearer trend before making changes.

Before the stock market opened, Manufacturers Hanover Bank in New York, Morgan Guaranty Trust and Bankers Trust Co. lowered their prime interest rate from 11 1/4 percent to 11 percent, matching a reduction by Chase Manhattan and others Tuesday. Several banks

Standard & Poor's Index					
High	Previous	Low	Today	Chg.	
1,234.56	1,234.56	1,234.56	1,234.56	0.00	S&P
765.43	765.43	765.43	765.43	0.00	Transp.
432.10	432.10	432.10	432.10	0.00	Utilities
210.98	210.98	210.98	210.98	0.00	Comp.

Dow Jones Bond Averages					
Week	Year	52 Wk	High	Low	
123.45	234.56	345.67	456.78	567.89	DJB
123.45	234.56	345.67	456.78	567.89	Transp.
123.45	234.56	345.67	456.78	567.89	Utilities
123.45	234.56	345.67	456.78	567.89	Comp.

Where will you be without gold if the dollar drops again?

The "almighty dollar" today is not quite so almighty.


Its recent fluctuations on foreign exchange markets may be just a hiccup. Or the beginning of the greenback's long-awaited decline.

Whichever the case, Krugerrand gold bullion coins are your best protection against currency instability.

Can you think of a better refuge when the dollar is in doubt?

Ask your bank or broker about Krugerrand gold bullion coins.

International Gold Corporation  
1, rue de la Rotisserie  
1204 Geneva - Switzerland



**KRUGERRAND**  
Money you can trust.

NYSE Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	NYSE
123	45	67	89	101	Transp.
123	45	67	89	101	Utilities
123	45	67	89	101	Comp.

NYSE Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	NYSE
123	45	67	89	101	Transp.
123	45	67	89	101	Utilities
123	45	67	89	101	Comp.

NYSE Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	NYSE
123	45	67	89	101	Transp.
123	45	67	89	101	Utilities
123	45	67	89	101	Comp.

NYSE Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	NYSE
123	45	67	89	101	Transp.
123	45	67	89	101	Utilities
123	45	67	89	101	Comp.

NYSE Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	NYSE
123	45	67	89	101	Transp.
123	45	67	89	101	Utilities
123	45	67	89	101	Comp.

NYSE Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	NYSE
123	45	67	89	101	Transp.
123	45	67	89	101	Utilities
123	45	67	89	101	Comp.

NYSE Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	NYSE
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123	45	67	89	101	Comp.

NYSE Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	NYSE
123	45	67	89	101	Transp.
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NYSE Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	NYSE
123	45	67	89	101	Transp.
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123	45	67	89	101	Comp.

NYSE Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	NYSE
123	45	67	89	101	Transp.
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123	45	67	89	101	Comp.

NYSE Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	NYSE
123	45	67	89	101	Transp.
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123	45	67	89	101	Comp.

NYSE Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	NYSE
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NYSE Diaries					
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123	45	67	89	101	NYSE
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NYSE Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	NYSE
123	45	67	89	101	Transp.
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NYSE Diaries					
Advanced	Declined	Unchanged	Not Reported	Not Traded	
123	45	67	89	101	NYSE
123	45	67	89	101	Transp.
123	45	67	89	101	Utilities
123	45	67	89	101	Comp.







# Wednesday's AMEX Closing

Vol. of 3 P.M. 4,420,000  
Prev. 3 P.M. vol. 4,520,000  
Prev. consolidated close 4,510,000

Tables include the nationwide prices up to the closing on Wall Street

12 Month	High	Low	Stock	Div.	Yld.	PE	High	Low	Open	Close
A										
74	26	26	ADP				110	110	110	110
75	26	26	ADP				110	110	110	110
76	26	26	ADP				110	110	110	110
77	26	26	ADP				110	110	110	110
78	26	26	ADP				110	110	110	110
79	26	26	ADP				110	110	110	110
80	26	26	ADP				110	110	110	110
81	26	26	ADP				110	110	110	110
82	26	26	ADP				110	110	110	110
83	26	26	ADP				110	110	110	110
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197	26	26	ADP				110	110	110	110
198	26	26	ADP				110	110	110	110
199	26	26	ADP				110	110	110	110
200	26	26	ADP				110	110	110	110

## Over-the-Counter Nov. 28

NASDAQ National Market Prices

Sales in	100s	High	Low	SP	AM	Close
A						
101	26	26	ADP			
102	26	26	ADP			
103	26	26	ADP			
104	26	26	ADP			
105	26	26	ADP			
106	26	26	ADP			
107	26	26	ADP			
108	26	26	ADP			
109	26	26	ADP			
110	26	26	ADP			
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113	26	26	ADP			
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116	26	26	ADP			
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121	26	26	ADP			
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135	26	26	ADP			
136	26	26	ADP			
137	26	26	ADP			
138	26	26	ADP			
139	26	26	ADP			
140	26	26	ADP			

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## Selected High-Tech Issues Are Good Bet, Analysts Say

(Continued from Page 7)  
which handles some \$5 billion. Walter C. Price Jr., technology analyst at the firm, makes the point that no sector of the world economy can rival high tech's sheer potential for growth.

"And now, after the horrendous bear market in the stocks, value again appears to be there," he said. Before they began to collapse a year-and-a-half ago, he said, investors

were willing to pay 40 to 50 times earnings for the stocks, compared with a P/E currently half that for the group.

"So growth remains strong, but people can buy that growth much cheaper now," he said. "Therefore, it makes sense to start buying these issues now, with the understanding that the news on some of them may get worse."

Actually, the firm's attitude to-

ward high tech began turning positive again last July when it added 10 stocks to the RCM Growth Fund, concentrating on issues with annual revenues of less than \$200 million. The fund had been down to only five stocks.

The high-tech sector Mr. Price thinks will do best is microcomputers. Top choices are Digital Equipment and Hewlett-Packard.

## Japan's Rail System Battles Fiscal, Management Problems

(Continued from Page 7)

jects. The other half comes from railroad bonds. But postal savings deposits are leveling off, and pension funds are needed for an aging population.

The money might very well run out, according to Masao Kamei, chairman of Sumitomo Electric Industries and chairman of a task force studying the restructuring of the JNR. "People don't realize that a crisis is so close," he said.

To make matters worse, Japanese passengers always have before them the contrast provided by Japan's private railway networks. These lines employ fewer people than the JNR and charge lower fares for train rides that run almost parallel to JNR tracks. One Japanese executive who was participating in Tokyo recently said he based his decision, in part, on whether he would have to ride the JNR or a private line to work.

The railroad company's problems began in the mid-1960s as railroads began losing passengers to cars and planes. Yet JNR neither cut its staff nor scaled down its operations.

For that, all sides lay the blame on political pressure. Members of Parliament want construction of lines in remote rural areas with few passengers. And with voter-passengers in mind, politicians were reluctant to allow the JNR to raise fares to meet its real costs.

"Restrictions and control from the government were very strong," said Iwao Nisugi, president of JNR. "So we couldn't make our organization suitable to our income level. That is the basic reason for this accumulating deficit."

For example, an expensive new line serves Niigata, home of one of Japan's most powerful politicians, former Prime Minister Kakuei Tanaka. "Niigata has only 400,000 people, and it doesn't look like it would be profitable," Mr. Kamei said. "But because a famous politician wanted it," he continued, "refusing to name the politician, 'it was built.'"

The company's local lines are a continuing financial drain. Last year, the local lines had losses of about \$197 million. Expenses to pay for the lines made up 14 per-

cent of JNR's total expenses, but the lines provided only 7 percent of the company's revenue.

By contrast, the train lines in the Tokyo area turned in a \$847.5-million profit last year, up \$7 million from the previous year.

For labor relations and surplus employment also contributed to the railroad's fiscal crisis, officials said.

In a country where worker dedication and labor-management harmony are almost legendary, Japanese stories about JNR union employees are unusual.

In one station, for example, a station master is said to have asked the employees to clean the station. The employees held a meeting and asked how they should proceed. The station manager suggested mops. A worker asked, "Don't we need buckets?" The station manager

nodded. The union asked why buckets were not mentioned immediately and demanded an apology.

Mr. Kamei said that the unions insisted on retaining many more jobs than are needed. For example, he said, a JNR station in Yokohama employs 50 people. The private Tokyo line serving the same station has 24 people, but carries 60 percent more passengers.

But Kensuke Akiyama, director of the planning department of Kōkai, the largest of the five unions of JNR workers, dismissed as "meaningless" the argument that overemployment was at the root of the company's problems. In the past five years, he said, JNR has cut its work force to 330,000 people from 455,000 and plans further cuts. Yet its deficit has continued to increase.

Mr. Akiyama said that he be-

lieved government and industry recommendations to break up JNR were in fact aimed at destroying the unions, which are affiliated with the opposition socialist parties.

A consensus on the solution to these problems has so far eluded the company, its private-sector critics and its unions.

Mr. Kamei has issued reports urging that the company be broken up and its lines sold to private companies. He has recommended charging higher fares for less profitable lines and lower fares for urban lines competing with private lines.

In addition, he is advocating further cuts in workers, from about 300,000 to 200,000, as well as diversification into other businesses such as hotels or real estate.

The company itself has made efforts. It has started an aggressive

marketing campaign that has included some risky moves of an elderly couple relaxing in a public bath at a resort. It has put a three-year freeze on hiring. And it has announced plans to sell off some local lines.

But such corrective measures also raise troublesome issues. If unprofitable local lines are sold to private companies, they may eventually be abolished, leaving some communities without rail transportation, Mr. Akiyama said.

But Mr. Kamei said widespread use of cars and buses had diminished the need for local rail lines. He said that when local government leaders visited him in Tokyo to ask for the retention of local lines, he asked them how they had made the trip; most had come by car.

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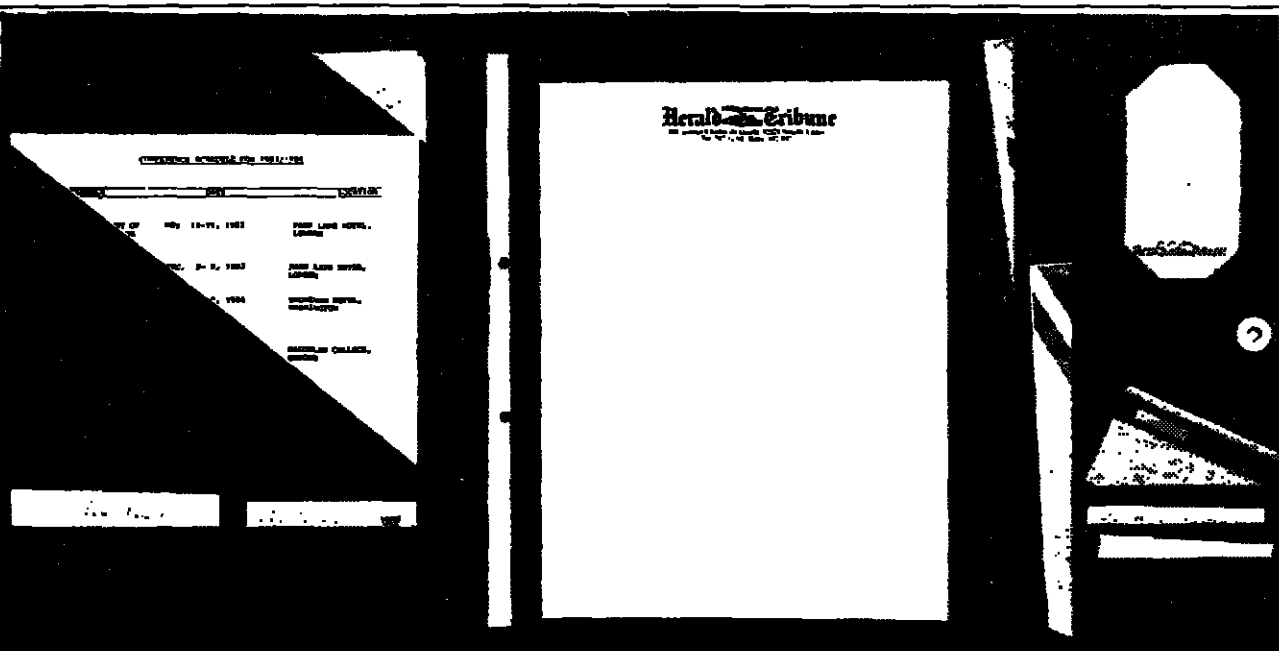
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## International Positions

appears on Thursday & Saturday



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(Continued From Back Page)

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## INTERNATIONAL POSITIONS

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#### Qualifications

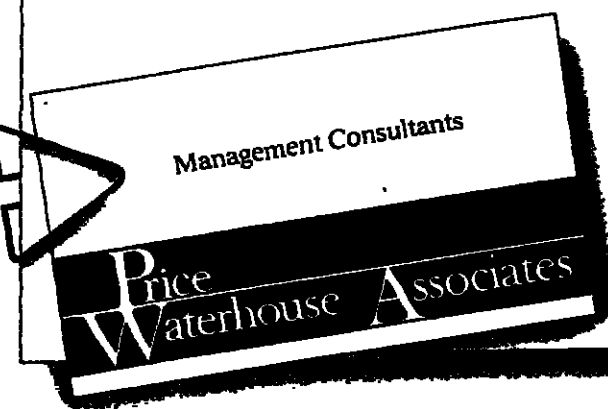
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  - fluent English. Arabic would be an asset
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  - and background
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The Netherlands  
Attn. Mr. D.M. Swagerman

All applications will be handled confidentially.



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The company offers an excellent remuneration package including:

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INTERGRAPH EUROPE INC.  
P.O. Box 333, 2130 AH Hoofddorp, Holland.  
Telephone 00-31 2503 33134.







## SPORTS

## Cannon Fodder for Hire: Would-Be Champs' Faceless, Punchless Opponents

By Michael Shapiro  
New York Times Service

NEW YORK — The opponent, Obie Garnett, came to Chicago to fight one mid-December. He took the bus from Cincinnati, where he worked in a mill. That night he boxed in the Aragon Ballroom, a dance hall with stars painted on the ceiling. He didn't know the man who taped his hands or the man who served as his second. A third man was prevailed upon to carry the water bucket. A white towel was placed over Garnett's shoulder and the three strangers followed him to the ring.

He did not last a round. Garnett, a flabby light-heavyweight, danced around the local boxer he was being paid to fight. The local man measured him and then reached his face with a stiff jab. Garnett crumpled. He rolled onto his side, his eyes refusing to focus. His nose ran. When he was counted out, his cornermen rushed to him and revived him. The spectators laughed.

Upstairs, in the communal dressing room, Garnett towed off.

Meanwhile downstairs, Sylvester Wilder (who according to the Ring Record Book once lost 36 fights in a row) had taken a look to the belly and was being counted out.

Garnett waited for his pay. It was his third professional fight. He had lost the first two, also by first-round knockouts. He was paid \$175 for the Chicago fight. The man who had been his second asked him why he was taking the chance of being hurt for so little money. Rushing so he wouldn't miss next morning's shift at the mill, Garnett turned, without a smile or hesitation, he replied, "Christmas time, man."

When boxers are known to lose more often than they win they become useful only as "opponents." Often they are called less flattering names, but without them the sport, according to those who understand it best, could not exist. "This is boxing as it has been known since the beginning of time," says Hank Kaplan, a boxing historian. "Ever since the dawn of somebody discovered that the way to build a fighter up was to get him someone he can beat up."

There are good opponents — "a guy who don't get knocked out by you," says Chris Dundee, a Miami Beach promoter. "An opponent is a fellow that is always dependable, that can give a good account of himself and lose."

There are bad opponents. "If a guy goes out in the first round the fans know you got a stiff in there," says Ernie Terrell, the former heavyweight champion and now a Chicago club-fight promoter who

does not like a hard hitter as an opponent because "a puncher is always dangerous."

Former light-heavyweight champion José Torres, who on Tuesday was named chairman of the New York State Athletic Commission, says boxing is entertainment and that is why opponents are necessary. "Promoters get people who can excite the public," he says. "Opponents exist, and I'm sure that good managers will always look for them for their fighters — these 'tomato cans' who are just in there to lose."

States with boxing commissions — most have them, some do not — try to keep boxers from fighting and losing too often. Since 1980, New York has required boxers to carry "passports" documenting their victories, losses and suspensions. New Jersey and Pennsylvania have similar systems.

The three states supply information to one another's suspended fighters. In New Jersey, a fighter who has been knocked out is suspended for 60 days. In New York the suspension is for 90 days. In Pennsylvania the commission has suspended a boxer for 90 days for a "very poor showing."

But transgressions exist. Although New York will revoke the licenses of fighters who have been knocked out six times, enforcement is difficult. "They change their names," Torres says.

Torres recalls how his manager, Cos D'Amato, was judicious in selecting the men he fought. In his first fight he knocked out Gene Hamilton in the first round.

"If I was a promoter and I had a fighter to bring up, I'd do the same thing," says David Conte, who has lost 15 of his 19 fights. "Look, I'm 34 and still pugging. I won't be no champ at my age. If I make a few bucks I'll be lucky."

A lot of people said I had potential but it never materialized. Everybody wants to use you as an opponent. They say, "He was a good man when he was younger." What can you do? What can you say? There's nothing you can do."

Opponents sometimes lose so badly and quickly it seems on purpose. Sometimes it is; often it isn't.

"He was supposed to get hit on the chin and he was supposed to fall," says Larry Kent, a Miami trainer for many years, recalling a poorly executed dive he once observed. "Every time he fell he didn't get hit. The referee looked at him and said, 'Get up, you bum, you didn't get hit.'"

"In the fifth round he got hit and he looked up and said, 'Don't tell me I didn't get hit. Start counting.'"

Paying boxers to take dives is seldom necessary, boxing elders say. "There's enough bad ones out there to make the really bad ones look terrible," says Joe Mooney, a manager and gymnasium operator in Savannah, Georgia. Mooney purveys opponents; he is not alone in his vocation, and maintains his service is in demand. "The main reason they call me," he says, "is because I'm dependable."

Mooney takes his fighters to Atlantic City and Hartford and sometimes to Tokyo and South America. "We go to Bermuda every two

months," he says. For these excursions, as well as those to northeastern cities, he brings only his "main-event quality group." The fortunate ones might make \$1,500 for a night's work.

Opponents enhance the careers of those who might be champions. Consider Gerry Cooney, who amassed nothing but victories — 21 of the 25 by knockouts — until Larry Holmes finished him in 13 rounds in 1982.

Cooney first knocked out Bill Jackson, who had been knocked out in his first eight fights. In his fourth, he beat Matt Robinson, who had lost 14 of 16. In his fifth fight Cooney knocked out Joe Maye on Nov. 18, 1977, the beginning of a hectic Thanksgiving-Christmas season for Maye. In the next 30 days he fought and lost three more times. The Ring Record Book shows that Maye lost 18 fights in a row; the streak would have reached 25 but for a draw against Joe Vellumore, who beat him twice before.

Some opponents do not understand why they are being invited to fight. When Johnny Davis, a New York welterweight, turned pro in 1973 he fought four times between July 18 and Aug. 20 and five more times between Nov. 5 and Dec. 17. He lost each time. In his next 22 bouts, Davis won three by knockouts, drew twice, lost a decision and was knocked out 16 times. Twelve of the knockouts were consecutive. "I know I'm not a bad fighter," says Davis who, at 34, wants to win just a few so he won't retire a loser.

Davis was sitting on a couch in Gleason's Gym on 30th Street near Madison Square Garden. He has thick shoulders and arms, but there are wisps of gray in his hair. He had sweated through his blue T-shirt. He finished his workout at the speedbag where he did not sustain a rapid tempo the way most fighters do.

"I try so hard at something I like doing," he said. "I love boxing. I dream of being a fighter. I see myself winning the title. I don't know which one. I see myself being picked up, getting carried around, getting my belt. My wife, sometimes she says, 'That's nice.' But she really wants me to quit."

Davis did not think he was an opponent for a long time. He fought a lot and lost almost every time but did not question his manager's plan, he says, because he did not think it a fighter's right. He fought the same man twice in Baltimore in his first two fights and, after the second loss, fought in New York three days later and then again, against the same man, two days afterward.

He paid bills with his first paycheck. Then he bought himself a present. "I think I bought me a suit on a store on 14th Street," he says. "I also bought a hat to go with it, a nice big-brimmed, black hat. I felt big. I felt like I was a big fighter, a big man. I had a few dollars in my pocket. Everyone see you looking better. I felt like I was getting somewhere."

When he boxes, Davis shows off a part of himself that he can express no other way. "I don't talk too much," he says. "I'm always



Johnny Davis  
"I know I'm not a bad fighter."

alone. But when I'm inside the ring I show them something different. People are cheering for me. I feel good about myself, now I can be outside of the ring."

"I have people stop me in the street — doctors, lawyers, cab drivers — and they've seen me fight. They say, 'You didn't get a fair deal.' And I say, 'I'm not such a bad fighter.'"



David Conte, 34: "What can you do? What can you say?"

## In Top Form, Navratilova Cruises Past Vermaak

Compiled by Our Staff From Dispatches

MELBOURNE — Defending champion Martina Navratilova and fourth-seeded Wendy Turnbull of Australia advanced Wednesday to the second round of the Australian Open tennis championships.

Navratilova overwhelmed Yvonne Vermaak of South Africa, 6-1, 6-1, and Turnbull ousted Larissa Savchenko of the Soviet Union, 6-2, 6-1. The two winners were the day's only seeds to see action.

Navratilova was in her usual devastating form, needing only 39 minutes to collect her 71st straight

singles victory of the year. In the 18-minute first set, Vermaak took but 14 points. The agile South African chased every ball but still only managed 10 points in the second set as Navratilova moved into top gear.

Afterward, Navratilova revealed that she sprained her ankle last month playing basketball. "It doesn't give me any problems and it's not hampering my mobility at all," she said, "but it is very uncomfortable when I tie it." So her main worry at the moment seems to be that her specially designed tennis shoes, with built-in ankle supports, are being held up at customs by

clerical workers striking for higher wages.

Navratilova's main rival for the title, Chris Evert Lloyd, recently started a weight-training program, but Navratilova seemed unimpressed. "One week isn't going to do a whole lot for her, that's for sure."

"You need more than that, but I'm sure Chris knows what she is doing. When she was beating me, I changed my game to more of what she was doing. Now she is changing to my way."

"I think that women should train more because they are not so strong and it can only help their stamina. You don't have to get muscular just to become stronger."

Navratilova sees her attitude rubbing off on others on the tour. "I think that a lot of the girls are working out more off the court and realizing that it helps them on the court. I guess I have probably influenced some of them, but I think it likely to affect results more in the future."

"The new generation will be much more all-round players, and perhaps I did have a piece in that. It

is certainly nice to know that maybe I've improved everybody's game, but hopefully I will be out of it by the time they catch me up," she said.

Navratilova next faces Mary Lou Piatek, who dined U.S. competitor Barbara Gerken, 6-2, 6-4, on Wednesday.

Top men's seeds Ivan Lendl and Mats Wilander have not yet seen action; they received first-round byes along with the rest of the 16 seeded men. Lendl, who lost last year's final to Wilander, will play American Bill Scanlon, and Wilander will take on David Mustard of New Zealand.

Scanlon edged through a five-setter Wednesday against Australian Davis Cupper John Fitzgerald, 3-6, 7-5, 7-5, 6-7, 6-2. Mustard, ranked 174th in the world, upset American Chip Hooper, 3-6, 6-3, 6-4, 6-4.

Meanwhile, American Scott Davis took just 25 minutes to complete a 7-5, 7-5, 6-4 first-round victory over Mark Kratzmann. Davis had led, 2-1, in the third set when the match was called Tuesday of because of falling light. (UPI, AP)



Defending champ Navratilova cruises past Vermaak.

## A Travel-Wearry Gretzky Still Sparks Oilers

The Associated Press

TORONTO — They still haven't found a way to stop Wayne Gretzky. In their game against the Oilers Tuesday night, the Toronto Maple Leafs might have thought they had the National Hockey League scoring leader at a disadvantage.

## NHL FOCUS

age, since Gretzky had spent the previous day trying to get here.

With various business matters (and a charity luncheon) to see to, Gretzky left Edmonton on Sunday before his teammates. His plans were wrecked when fogged-in airports forced diversions to Calgary, Cleveland and Montreal. The rest of the team left Monday morning, and was on the ice practicing in the afternoon when Gretzky finally checked in.

He did run out of gas in Tuesday's third period against the Leafs — but by then the Oilers captain had racked up a five-point night in a 7-1 Edmonton rout. The first points left Gretzky 22 short of 1,000 for his career.

While the rebels' offer did not directly address Mr. Duarte's proposal, it rejected its main premise: that conditions in El Salvador had become more democratic since the guerrillas took arms five years ago.

cago 2; Washington 9; Quebec 2; New Jersey 3; Minnesota 2; Winnipeg 3; Los Angeles 3; Buffalo 2; Pittsburgh 2.

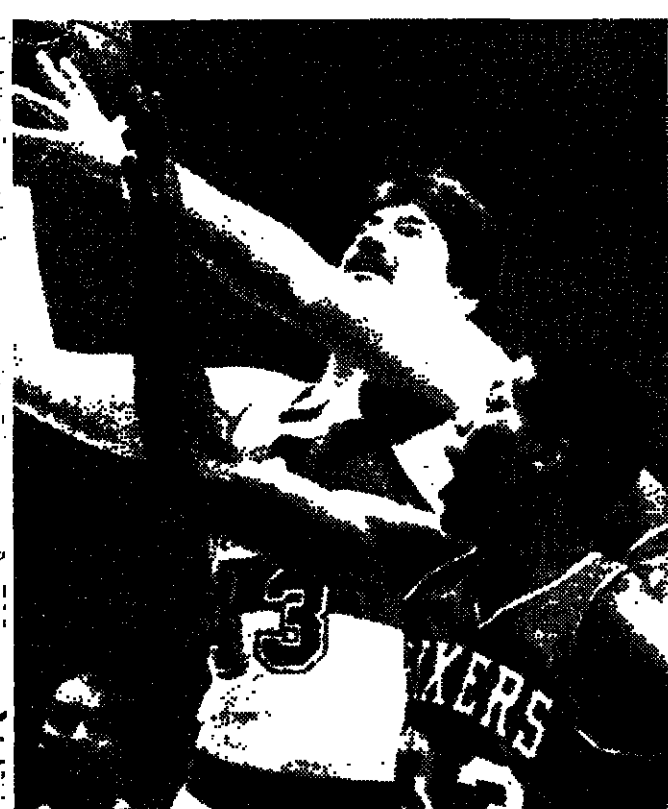
Gretzky scored three goals for the second time this season and assisted on two goals by left wing Mike Krushelnyski, who also had two assists; Jari Kurri, the line's right wing, chipped in three assists.

Coach Glen Sather kept Gretzky on the bench for much of the third period. "He didn't need to be out on the ice any more," said Sather. "He was stuck in airports for 24 hours, and he hadn't been on ice for about two days."

Gretzky was only half-pleased with the respite. "I wish I had more zip, but I was tired toward the end," he said. "But I would have liked to get my 600th assist in front of my family." Gretzky, who raised in nearby, was the rebel leader by the two rebel organizations, however, termed the situation in El Salvador as one of "generalized war" where there was still a "systematic violation of human rights" and no national "political consensus."

"The causes that pushed our fronts to fight using political and military means are still in effect," the rebel statement said. "The death squads have not disappeared, nor the illegal arrests, nor the terrorism."

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Washington's Jeff Rutland got past Sam Williams on a first-half play for two of his 17 points; Philadelphia won the NBA contest.

## 76ers Heat Up in 2d Half To Defeat Bullets, 93-89

The Associated Press

LANDOVER, Maryland — When Andrew Toney settled for what was available and dropped in the game-winning basket, it underscored the way the Philadelphia 76ers changed their strategy in the second half.

"They took some things away from us in the first half, but we tried to force the issue instead of taking what they allowed," said Julius Erving after the 76ers edged the

Jeff Rutland scored 17 points to lead Washington, which had won eight of its previous nine games, and Greg Ballard had 16.

"It was our ballgame," said Rutland. "It should have been a rout."

By winning for the sixth time in eight road games, the 76ers kept the Bullets from taking over second place in the Atlantic Division.

Elsewhere it was New York 97, Atlanta 96; Portland 115, Cleveland 106; Indiana 126, Milwaukee 105; Boston 114, Dallas 99; Houston 114, San Antonio 97; Denver 139, the L.A. Clippers 110; Phoenix 115, Utah 102; Golden State 109, Chicago 103, and Seattle 104, Kansas City 96.

Erving scored 10 points in the third quarter, which ended with Washington ahead, 67-66. Philadelphia's Moses Malone pumped in 10 of his 24 points in the final period before the 76ers guards took over.

After a three-point play by Gus Williams put the Bullets ahead, 89-87, with 1:43 left, Maurice Cheeks tied it at 89-89.

With one minute to play, Toney connected on an 18-foot baseline jumper; he later said he had been jumping to get the ball inside but changed his mind when a screen gave him an opening. Cheeks added a free throw with 17 to go, sealing the victory.

"They executed well down the stretch and we didn't," said Washington Coach Gene Shue. "We should have won it."

## SCOREBOARD

## Basketball

## NBA Standings

EASTERN CONFERENCE			
Atlantic Division			
Boston	12	1	22.5
Philadelphia	10	4	21.5
Washington	10	7	20.5
New York	8	9	17.5
New Jersey	6	8	16.5
Central Division			
Atlanta	8	4	22.5
Chicago	8	5	20.5
Detroit	7	8	16.5

## Hockey

## NHL Standings

WALDES CONFERENCE			
Patrick Division			
Philadelphia	14	2	28
NY Islanders	12	1	27
Washington	8	5	21
NY Rangers	8	10	18
Pittsburgh	15	7	32
New Jersey	4	12	14
Adams Division			
Montreal	12	2	28
Quebec	11	1	23
Boston	11	9	23
Buffalo	9	1	20
Hartford	8	9	19

## CAMPBELL CONFERENCE

Morris Division			
Chicago	10	1	21
St. Louis	10	9	21
Minnesota	7	10	19
Detroit	4	12	14
Toronto	4	15	11
Smythe Division			
Edmonton	14	2	28
Calgary	13	8	27
Winnipeg	11	8	24
Los Angeles	10	12	22
Vancouver	4	18	10

## TUESDAY'S RESULTS

Washington	93	89	Bullets
Philadelphia	104	97	76ers
Portland	115	96	Clippers
Atlanta	126	105	Milwaukee
Boston	114	99	Dallas
Houston	114	97	San Antonio
Denver	139	104	Clippers
Phoenix	115	102	Golden State
Chicago	109	103	76ers
Seattle	104	96	Kansas City

## Transition

## BASEBALL

BALTIMORE — Howard Terry Crowley, Baltimore Orioles' general manager, was named director of scouting.

CINCINNATI — Named Greg Riddick director of minor-league clubs and Brian Granger assistant for player development and scouting.

## BASKETBALL

ATLANTA — Associated Atlanta Corp. forward, who was sidelined for six weeks with a broken left thumb.

L.A. LAKERS — Signed Earl Jones, forward, to a one-year, \$1.5 million contract.

PHOENIX — Signed Michael Young, forward, to a one-year, \$1.5 million contract.

## FOOTBALL

DALLAS — Signed Steve Killion, guard.

L.A. RAMS — Signed Chris Frazier, tight end, on the reserve-nonroster list.

NEW ORLEANS — Signed Darnell Moore, nose tackle, on the injured reserve list.

## COLLEGE

## TULANE — Fired Woody English, football coach.

## European Soccer

UEFA CUP (Third Round, First Leg)

Univ. Craiova 2, Partizan Sarajevo 0

Viktoria 5, Zvezda Belgrade 0

Assoc. Sportiv 1, Cologne 0

WEST GERMAN FIRST DIVISION

Bayer Uerdingen 0, Koln 0

FRENCH FIRST DIVISION

Paris-SG 2, Strasbourg 0

## U.S. Approves

## Ear Implant for

## Severely Deaf

By Marlene Simons  
Los Angeles Times Service

WASHINGTON — The Food and Drug Administration has approved marketing of an electronic inner ear that will enable profoundly deaf persons to hear such noises as car horns, ringing telephones and doorbells.

Agency officials said Thursday that the surgical implantation, designed for those who cannot benefit from wearing a conventional hearing aid, was expected to help 60,000 to 200,000 of the two million Americans considered completely deaf. The device has been approved only for use in adults, although a separate study is under way involving children.

The device, developed by the House Ear Institute in Los Angeles and manufactured by Minnesota Mining and Manufacturing Co. of St. Paul, will permit the deaf to hear crude



The electronic ear device.

sounds and will significantly improve lip-reading ability, although the patient still will not be able to understand words.

"The sound, to people with normal hearing, would be crude," said Dr. Mark Novitch, the deputy agency commissioner. "Yet to profoundly deaf persons, these crude sounds may mean a great deal. They can

(Continued on Page 2, Col. 7)

## Poles Seek Freedom

or to the asylum. Easterners meet

Many of the new arrivals are men in their 20s or 30s with histories of involvement with Solidarity, the now-outlawed trade union that at its peak claimed the allegiance of 10 million Poles. Some said their families had pooled funds to meet the cost of a round-trip ticket on the Regolin or Stefan Batory — a sum two or three times their monthly wage — to enable them to flee.

In light of the elaborate procedures involved in obtaining a Polish passport, few seemed to think that the Warsaw authorities were actually encouraging a wave of emigration, as the one that brought about 30,000 East Germans to West Germany earlier this year. Others were not so sure.

"My personal view is that the strongest people want to get out," he said. "I see myself winning the title. I don't know which one. I see myself being picked up, getting carried around, getting my belt. My wife, sometimes she says, 'That's nice.' But she really wants me to quit."

(Continued on Page 2, Col. 2)

There is only one solution to the problems here: the complete application of French law," Mr. Ukeiwe said.

Charles Barbeau, a French Interior Ministry official, ended three days of talks with political leaders and government representatives on the islands and is to report back to Paris "as quickly as possible," the French High Commission said.

Mr. Barbeau negotiated the release on Thursday of a local French administrator, Jean-Claude Demar, and his assistant, who were held hostage nine days by separatists. Mr. Barbeau ordered the release of four Kanaks jailed for disrupting the elections.

The escalating violence brought calls in Paris to move forward a proposed 1989 referendum on independence for the islands. Melanesians, who make up 60,000 of the territory's population of 140,000, have demanded self rule for native people.



